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THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Vol. XXI. | 10c. a Copy; $5.00 a Year | PUBLICATION OFFICE: TORONTO, FEBRUARY 18, 1927 | Member of Audit Bureau of Circulations | No. 7

The Nation's Business

Attack on Salvation Army Indiscreet
Good Work Done by Such Bodies
Immigration Department Needs Co-operation
Cut Army Grant

THE great panacea of all of Canada's troubles is said to be more population. The government, the man on the street and in fact most organizations and classes, seem to agree on this point. Until a few years ago, the Federal Government and the transportation companies were the only two organizations interested in peopling Canada with the right class of immigrant; the former because it was a part of governmental activities and the latter because it was good business. To-day, however, we have scores of organizations, philanthropic or otherwise, interested in bringing to Canada people of the right kind. They represent societies, churches, communities, provincial government, etc., and in the main, have been doing valuable work in making known to the people of other countries the opportunities which Canada has to offer the man who is anxious to get a proper start in life.

The government has sanctioned these organizations under the benign influence of the Department of Immigration and Colonization. Probably the department was somewhat superior and expected that these independent efforts to establish newcomers in the Dominion would be somewhat futile and that, after all, the matter of securing additional population would revert to the autocratic control of the department. But many of these immigration organizations have prospered; some of them have assumed a Dominion-wide character and their operations to date have proved conclusively that, properly handled, immigrants can be secured for Canada in large numbers.

* * *

THESE colonization agencies are not wealthy. In some instances, certain individuals or organizations have advanced money for them to carry on their operations. The usual procedure in securing immigrants is for some member or farmer living in the community to nominate a friend or relative to be brought out by the Agency. Transportation and other matters are then arranged and the newcomer brought to Canada and immediately placed in a position secured for him before he left his homeland. In time this immigrant pays back to the man who brought him out, or directly to the organization, such moneys as were expended in getting him settled. The monev thus returned is again used for the same purpose.

It is obvious that the Federal Government cannot operate in this manner and the success which has attended the efforts of independent organizations has apparntly aroused some petty departmental jealousies. From time to time rules and regulations have been laid down by the department, which have not been at all conducive to an easy flow of immigration, yet, despite these hindrances, the number of newcomers entering Canada last year compares favorably with pre-war years.

* * *

ONE of the outstanding organizations working along independent lines is the Salvation Army. It is one of the most valuable functioning at present, from the standpoint of Empire migration. With offices in all of the Dominions and a wonderful network of workers, the Army has been able to place thousands of Britishers in Canada, Australia, New Zealand and other parts of the Empire. It has been particularly careful in selecting immigrants moving to the Dominions under its auspices and its splendid work over a long period of years has commanded the admiration and respect of all interested in populating the Dominions.

Owing to the closeness of Canada with the Old Country, the Salvation Army has been particularly active in fostering the movement of Britishers to this country. It has not only concerned itself with the settlers, but has also been active in forwarding domestics and 'teen age boys. Naturally this work entails a great deal of expense and in order that the Army may carry on its good work and also in order to instil a spirit of independence in the people which they settle in the Dominions, it enforces a rule that all or part of the passage money should be paid back to the organization when the new citizen has become established.

* * *

THIS has been the principle under which newcomers have been sent to Canada by the Army, but it appears that the Immigration Department has just found out that boys forwarded by the Army are expected to make repayment of their passage money. As a consequence the department has issued a mandamus to the effect that its annual grant for the upkeep of women's lodges and other advances for boys' work are to be

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1927 Trade Outlook Excellent for Those Who Keep Up-to-Date

Despite Heavy Tax Burdens, Year Promises Good Profits

MUST BE ON JOB

Many New Developments That Affect Business Require Executives to be More Alert Than Ever

By HORACE T. HUNTER,
Vice-president, The Financial Post. Address to Ontario Retail Hardware Association.

What Will 1927 Business be Like?

There are numerous figures compiled to-day which give us a good deal of information on the underlying trend of business. Business men should follow these figures closely to prepare well in advance for periods of prosperity and times of depression.

In the first place, and probably most important of all, employment figures are the best we have had for years. Taking 1920 as a basic year and figuring employment for that year at 100 per cent., the last five years as at December 1 show up as follows:

1922	95.1
1923	95.7
1924	90.8
1925	95.3
1926	101.1

Not only have Canadians had employment but they have received good wages. From 1913-1920 the cost of living advanced more rapidly than wages. This means the wage-earners are better off to-day than they have been at any time since 1913.

Many people do not realize this because to-day there are many things which are regarded as necessities which were considered luxuries a decade or two ago.

Revenue From Agriculture

Let us examine in detail some of the classes of production from which our people receive their incomes: Agriculture concerns probably the largest number of people; 1920 was our peak year and the slump in prices of agricultural products did more than any one thing to cause the business depression which ensued. The total revenue from agricultural products from 1900 to 1926 was as follows:

1900	$ 364,900,000
1910	663,349 000
1920	2,011,201,000
1921	1,383,958,000
1922	1,389,289,000
1923	1,350,156,000
1924	1,453,368,000
1925	1,708,567,000
1926	1,677,520,360

We see a steady improvement since 1921-1923, and with the decrease in cost of living since 1920, the 1926 revenue will purchase much more than the peak year of 1920.

Manufactured Products Back From Slump

Manufactured products likewise slumped in 1921. Going back to 1900 the figures are:

1900	$ 481,053,375
1910	1,165,975,639
1920	4,024,739,463
1921	2,482,209 130
1922	2,781,165,514
1923	2,481,351,554
1924	2,695,053,582
1925	2,700,000 000
1926	2,751,800,000

There has been a slight improvement each year since 1923, but there has been very marked increase over the previous decade of 1900-1910.

Prior to the war, agriculture and manufactured products were our two great sources of income. If we were still depending mainly on them, our income would not have shown much increase during the past few years. We have, however, made tremendous strides in four lines which have created an amount of wealth which will this year approach a billion dollars, and which has changed the whole business outlook in all parts of Canada.

I will mention first pulp and paper. In 1910, our production was valued at $13,893,486.

In 1926 it had increased to over $224,000,000.

During the past year we passed the U.S. and the increased capacity which is being added to Canadian mills in 1927 and 1928 will still further increase our lead and add greatly to our income.

Mineral Production Advances

The advance in the mineral production of Canada has been rapid of late years, and yet it is agreed that the industry is only in its infancy. In 1910, production amounted to $106,000,000. In 1926, it was $243,000,000, which is $16 000,000 above the previous high of 1920, when high prices ruled for base metals and $17,000,000 above the total of 1925. The output of minerals this year will pass the quarter billion mark, and yet some of the most promising new camps will not have come into production. Rouyn, Quebec. being the outstanding one.

What the mines mean to industry of the country is evidenced by the fact that of the 1926 production, $120,000,000 was paid in wages and the bulk

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H. T. HUNTER.

Wolvin Looks for 1927 to be Better Year

From Our Own Correspondent.

SYDNEY.—That Besco paid out in 1926 in the coal industry alone wages and salaries totalling $15,000,000 was the statement made by President R M. Wolvin during a recent visit to Sydney.

Coal comparisons with 1925 are impossible because of the great strike of that year, but wages paid out in 1926 are $700,000 in excess of those in the same period of 1924 when the actual rates were higher.

In the steel plants at Sydney and Trenton, wages paid were 10 per cent. in excess of 1925.

"I am looking forward to 1927 being just a little better than 1926," said the president.

Cuban Outlook Brighter Now Than Year Ago

Cuba is more optimistic now than it was twelve months ago. Sugar is selling a bit higher than formerly and the planters are expecting somewhat better prices. Canadian trade possibilities in that country perhaps have been improved since the Hon. J. A. Robb, the minister of finance, has been in negotiation with the Cuban government.

S. H. Logan, general manager of the Canadian Bank of Commerce, has reached the foregoing conclusions after spending a month in Havana and vicinity. His trip was not of a business nature.

Abitibi's Mortgages Will Total $13,000,000

MONTREAL. — It is understood that the securities which the Abitibi Power and Paper Company will issue to finance its purchase of the Abitibi Fibre Company will consist of $4,000,000 in 6 per cent. short teım notes maturing concurrently with the company's consolidated mortgage, 8 per cent. bonds on March 15, 1931. Such a new issue would increase Abitibi's funded debt to about $13,000,000 in all.

MONTREAL WATER SALE BRINGS BIG PROFIT TO GROUP

City Pays $14,000,000 for Property Recently Sold for $10,000,000

NEWSPAPERS STIRRED

Now They Claim City Has Paid Exorbitant Price for What It Has Bought

From Our Own Correspondent.

MONTREAL.—The financial community of Montreal is generally disgusted with the decision of the city of Montreal to purchase the Montreal Water and Power Company. By a unanimous vote the city council resolved to adopt a report recommending the purchase of the entire aqueduct system of the company for the sum of $14,000,000.

Only two or three months ago, interests associated with the investment house of Hanson Brothers controlled the company. At that time a good offer for the stock was made to the controlling interests. It was $85 for the common stock and par for the preferred; the same offer was made to the minority interests in the company. A very large percentage of both classes of shareholders accepted the offer and the control passed into the hands of new interests who appointed the following board of directors: W. Q. Stobo, W. H. Sutherland, C. M. Barnett, F. H. Pitcher, G. B. Allison, R. G. Liddy and W. W. Wetherspoon. It is said that some of these are merely representing better known individuals.

Pretty Good Pickings

Thus practically the ownership of the company changed hands on the basis of an offer equivalent to $4,308,000 for both classes of stock. The company has a funded debt of $5,581,514 which, added to the price at which the common and preferred were purchased, made a total price offered, and largely accepted, for the property only last autumn of under $10,000,000. And now the aldermen of the city of Montreal, displaying their usual acumen, propose to purchase the property for the sum of $14,000,000. This means a profit to the present owners of the property of over $4,000,000 plus what will be realized on certain assets which the city will not acquire.

The old shareholders who disposed of their holdings last autumn have but little cause for complaint for they received a good price for their stock. The common had a par value of $25 so that the price paid amounted to $340 on a $100 par value basis. Nevertheless if the property be worth $14,000,000 to the city this winter, it was worth a very similar price last autumn. The answer seems to be that the property is not worth the price at which the city now propose to purchase it and that it is the citizens of Montreal who will suffer through the deal. Hanson Brothers interests would not have advised the holders of the minority stock to sell their shares unless they believed the price was a very fair one.

Leaves a Nasty Taste

But the whole affair leaves a decidedly nasty taste in the mouth and there are many investors here who feel that the deal should be probed. It may be; there has arisen in the city a wave of sentiment amongst influential men which may make itself felt in some form of action which would prevent the consummation of the deal.

In the meantime the newspapers have taken the matter up editorially and some of them are protesting payment of such a large profit to New York or other interests.

Cockshutt Plow Invests $814,238 Cash in Year

Detailed Balance Sheet Just Available Shows How Proceeds of Farmers' Notes Improve Brantford Company's Position

Examination of the detailed balance sheet of Cockshutt Plow Co. shows an even more healthful financial position at the end of 1926, compared with 1925, than was revealed in a brief preliminary perusal of the report.

The profit and loss account for 1926 shows profit from operations after providing for depreciation and for bad and doubtful accounts. This profit was $305,450, compared with the corresponding item of $313,505 for 1925. But the 1925 profit shown was after depreciation only, and made no allowance for bad and doubtful accounts. A total of $297,717 in uncollectable accounts was written off and shows in the opposite side of the profit and loss account as being subtracted from the balance as at the end of 1925. Thus 1926 is shown to have been a much better year than 1925 and is more in accord with the predictions of results which were current in the course of the year. Earnings in reality increased from about $16,000 to over $305,000.

In another important particular, the company's position was substantially improved over the previous year. On the asset side of the balance sheet is an entirely new item of $814,238 of "investments at cost," which can be included in working capital. This sum is accounted for by reductions in the total of notes and accounts receivable. In 1925 the item was $3,486,700 and in 1926 it was $2,644,267. Colonel Cockshutt's letter to the shareholders remarks that collections showed an improvement throughout the year and that a greater proportion of sales were made for cash than in any previous twelve-month period. The company apparently has taken the bulk of its receipts on account of long-term credits and invested it in some form of securities.

Accounts payable at the end of 1926 were $67,609, compared with $135,856 at the end of 1925.

The annual meeting will be held on March 17th.

Bradshaw, Gundy Will Seek Wide Distribution of Massey-Harris Stock

Advertising Canada

At no cost to us, Canada is getting fine publicity through the work of the Empire Marketing Board, which receives £1,000,000 a year from the British Government to stimulate consumption of Empire products in the United Kingdom. A general advertisement drawing the attention of the home public to the importance of Canadian trade to the Empire was issued at the end of 1926 and it is intended to issue advertisements of various special Canadian commodities on the lines of the above at appropriate seasons of the year.

Buyers of 65,000 Shares Will Control Them Only Temporarily

NEW ISSUE LATER

J. I. Case Co., Through New York Bank, Was American Company Trying to Buy Key Block of Securities

For the present there is no intention to refinance Massey-Harris Co. as a result of the sale of between 65,000 and 70,000 common and preferred shares of the company, by the Massey Foundation, the Treble estate, the Hon. Vincent Massey and other members of the Massey family.

But no individual or affiliated group will have the voting rights on this block of shares, considered the key block in controlling the company which is one of the outstanding Canadian industries and the largest manufacturer of farm implements in the British Empire.

Will Distribute Shares

Thomas Bradshaw, general manager of Massey-Harris Co., and J. H. Gundy of Wood, Gundy & Co., negotiated the purchase. W. E. Rundle as general manager of the National Trust Co., trustees for the Massey Foundation and other estates, acted for the vendors. The Canadian Bank of Commerce advanced the cash necessary for the transaction.

Messrs. Bradshaw and Gundy only temporarily will control the shares. At the moment it is purposed to distribute the shares among Canadians who are interested in having the existing management continue and who have faith in the future of the company, which has had a long history and which recently has made remarkable progress under the direction of Mr. Bradshaw as general manager and J. N. Shenstone as president.

The sale of the Massey blocks of shares, while not surprising in financial circles, came suddenly while Mr. Bradshaw was on his way to Australia. He left the train at Fort William and returned to Toronto.

Reject Case Offer

The First National Bank of New York, which long has looked after the financing for the J. I. Case Co., were the American interests which, it is believed, made a definite offer for the Massey Foundation and Massey family shares. Before closing the deal, the Massey interests communicated with the management of the company, with the result that the New York offer was rejected.

What amount the Massey Foundation and others have received for their stock has not been revealed. It is understood, however, that the price was close to $125 for the common and $110 for the preferred. The principals in the transaction have declined to say exactly how many shares are involved or what proportion is common. It is assumed, however, that there was about an equal number of each class, and about 65 000 shares in all.

In all it is estimated that deal involved somewhat more than $8,000,000.

Although this sum is not so large as frequently has been involved in transactions affecting Canadian industries in recent years, the incident attracted wide attention. The daily press did not fail to emphasize the dramatics of the situation in which control of an old-established Canadian company might have been transferred to American interests, with consequent changes in policy, management and operating personnel.

Personnel is Pleased

Persons associated with the company assert that retention of control on this side of the boundary, with the ultimate authority resting with the body of shareholders, is in the best interests of the shareholders and of

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Say Arnolds Are to Acquire Martin Stores

It is understood that Arnold Bros., which last December were bought out by a group headed by T. A. McAuley, have taken an option on A. Martin, Ltd., operators of 62 meat and provisions stores in Toronto. Arnold Bros. have been operating seven stores, also in Toronto. Martins formerly were the retail stores of the William Davies Co.

Since the new control of Arnold Bros. various plans have been contemplated with a view to expanding the business in other places in Ontario as well as in Toronto. It is understood that these tentative plans, so far as Toronto itself is concerned, will be abandoned with the acquirement of 62 additional stores under the Arnold management.

Deny Seagram Distillery is to be Merged in C.I.A.

There is nothing to the rumor that Seagram's distillery may sell a controlling interest to the financial group behind Canadian Industrial Alcohol, according to a man who is in a position to know what is going on in the alcohol group of companies.

Seagram's was refinanced last year, 200,000 shares of no-par value common stock being issued to the public at $15 the share.

It is understood that Seagram's have on hand 450,000 gallons of seasoned whisky and it is known that they have an option on 1,000,000 gallons of beverage alcohol at $2.75 the gallon.

The rumor concerning possible affiliation of Canadian Industrial Alcohol with Seagram's emanated from a mimeograph news service circulated among stock brokers.

City Dairy $1 Asset Pays $67,000 in Dividends

S. J. Moore, chairman of the board of City Dairy, told shareholders at the annual meeting Wednesday that the financial position of the company is impregnable.

The Dri-Milk Co., which is carried on the books of City Dairy as an asset worth $1, last year contributed to City Dairy $67 000 in dividends, $22,000 being paid on the preferred and $45,000 on the common. City Dairy owns $275,000 of the preferred and $750,000 of the common of Dri-Milk. This information was given by President W. J. Northgrave in answer to a shareholder's question.

Through Train for Maritime Tourists

At a meeting of the Canadian and New England Passenger Association, it was announced that a direct tourist train will operate between New York, the New England States and the Maritime Provinces, including a through sleeping car train from New York to Saint John and Halifax. Likewise the direct train from Boston to Saint John and Halifax is to be made daily for ten summer weeks.

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Background of Canadian Business

By JOHN E. LANGDON,
Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

Large Sums of Money Available for Investment
Bond Sales Portend Advances in General Business
Outlook for Iron and Steel Trade More Promising
Uncertainty Surrounds Automotive Industry
Freight Movement Records Substantial Increase

AGRICULTURAL and industrial activities of the past year, have been instrumental in creating an unusually large amount of money for investment purposes. This situation is undoubtedly more pronounced at present than at any corresponding time for several years past. It is reflected in the strong undertone of the stock and bond markets and in the exceptionally large volume of trading. It is further evidenced in interest rates, which have steadily declined.

From the standpoint of business, this situation is significant in that it probably portends new advances in general activity. Some of the recent issues of bonds have been for general refunding purposes, but the majority are for the purpose of securing funds with which to expand industrial and public facilities and to provide for further municipal improvements. All this means that heavier expenditures will be made in purchases of materials and employment of labor, which in turn will reflect in more active trade conditions.

Bond Sales Heavy

Business men, as a rule, do not follow bond sales with any degree of interest or closeness, and their importance is generally overlooked. A study of new issues since 1920 shows that the amount of additional capital or funds provided by these sales has aggregated about half a billion dollars yearly. In 1920, for instance, the value of new Canadian bond issues was only $318,832,081. While this total is relatively small, it must not be forgotten that the year was one of extraordinary activity and large profits and the need for funds was not so acute as in the following years. A substantial increment was recorded in the following three years and in 1924, sales totaled $580,495,491—a high mark for the post-war period. A slight drop took place in 1925, but last year sales again advanced to $567,462,379. Figures for January last are even more indicative of the great amount of money available for investment purposes, for in that month nearly $52,000,000 worth of new bonds were issued, or at the rate of over $600,000,000 a year.

The fact that such a plentitude of funds are available for governmental, public utility and industrial purposes, combined with low interest rates, has not been without a beneficial influence on the general tone of business and it has made itself felt in more ways than one. One does not hear talk of any scarcity of capital in established concerns and there is certainly no lack of funds for any legitimate development enterprise.

Iron and Steel Outlook

The iron and steel industry has been slowly gathering headway, and while there has been no outstanding change in the situation since the beginning of the year, orders on hand have been sufficiently large to allow of a fairly consistent scale of production. Of the four great steel consuming lines, two have been more active in the past six weeks than they were during the same period a year ago. These are the railway equipment and construction industries. Automobile and miscellaneous production has not been so active as in the other two lines, but they compare favorably with existing conditions at this time last year.

Railway Orders Coming Forward

During the past week a large order was placed for railway equipment, which at the time was said to be the forerunner of other orders. This has proved to be the case, although commitments have been somewhat small, as, so far, all the purchasing has been done by the Canadian National. The Canadian Pacific, however, is expected to enter the market shortly with some heavy buying and the outlook for the equipment companies is very promising.

The construction industry started off the year with an unprecedented amount of new work, while the value of contemplated building reported bids fair to make 1927 another heavy building year. Insofar as the demand for structural steel is concerned, there is no apparent decline and when work starts on a number of large buildings scheduled for this spring, demand should assume comparatively large proportions. Meantime, other building materials are moving freely.

More uncertainty surrounds the automotive industry. Although the number of units manufactured in 1926 was the greatest in the history of the industry, production during November and December sharply declined and some doubt is felt as to whether output can be maintained on the same scale during 1927. It is pointed out that export demand last year was weak, which, however, was more than offset by domestic sales. At the same time, however, the heavy sales in the Dominion may be the cause for a smaller demand this year and while it is too early to make any definite assertion regarding the outlook for this year's business, production during the first quarter will largely tell the story.

Commodity Prices Unchanged

The decline in commodity prices which has been fairly steady during the past twelve months, was temporarily halted during January, when the index of prices was practically unchanged, being 150.6 as compared with 150.5 in December. In the more significant comparison with January, 1926, there is a decline of about 15 points. Last month's figures are of importance in that they indicate a period of more or less stability in wholesale prices may be expected. One or two changes may take place in grains, cotton, petroleum, etc., but generally speaking, prices will not show much change from those prevailing during the past four or five months.

Merchandise Loadings Up

It is now apparent from car loadings that the high business momentum attained last year is continuing into 1927 on an even wider scale. For the week ended February 5, loadings were 4,710 cars greater than in the same week of last year, while the cumulative totals for 1927 to date are even more pronounced, the favorable difference being about 20,000. It is worth while noting that about one-third of the increase in car loadings this year is due to the heavier movement of merchandise, which would indicate that retail and wholesale trade is correspondingly more active.

Valuable Shell Fish Foods Found in Canadian Waters

Shrimp, clams and oysters should be included in the diet of any one afflicted with rickets, goitre or anaemia, according to Dr. D. Bresee Jones, chemist in charge of the protein investigation laboratory, Bureau of Chemistry, United States Department of Agriculture. Speaking at the annual meeting of the American Public Health Association, Dr. Jones declared that his investigations, carried out with albino rats, show that shrimp, clams and oysters contain proteins of high nutritive value and are important to the diet of man because they contain elements essential to the growth and repair of body tissues.

The more general appreciation of the nutritive and corrective values in these foods and consequent increase in their consumption would be a great boon for Canadian fisheries, comments the Natural Resources Intelligence Service, Department of the Interior, at Ottawa, since Canada has on her Atlantic and Pacific coasts some of the greatest potential shell fisheries in the world to-day. Shell fish are also known to exist in Hudson Bay, which has a shore line greater than the Mediterranean Sea, but the commercial possibilities of the fisheries in these waters will require further investigation.

Some of the varieties of shell fish already being caught and marketed each year from Canadian waters are: clams and quahangs, 55,000 bbls.; cockles, 200 cwt.; crabs, 7,000 cwt.; lobsters, 341,000 cwt.; mussels, 75 cwt.; oysters 21,000 barrels; scallops, 18,000 barrels; shrimps, 1,200 cwt.; winkles, 2,000 cwt.

Frank McCormick, president of Canada Biscuit Company, has been elected director of Northern Life Assurance Co.

Canadian Business Indicators

Compiled weekly by The Financial Post

	1927	1926
Car loading, week February 5	59,453	54,743+ 8%
Year to date	293,311	273,441+ 7%
Merchandise shipped, year to date	76,002	70,385+ 8%
Grain Receipts, Aug. 1 to February 4	265,203,191	309,378,784— 14%
Price Level, January index, 236 commodities	156.0	155.2
	1926	1925
Building permits—November, (63 cities)	9,968,937	7,988,765+ 24%
Railway Earnings—Twelve Months—		
C.P.R. gross	198,025,591	182,356,005+ 8%
C.P.R. net	44,945,126	40,154,755+ 11%
C.N.R. gross	266,270,000	244,971,202+ 8%
C.N.R. net	46,400,000	32,264,414+ 43%
Pig Iron Output—12 months	737,503	570,397+ 29%
Steel Ingot production, 12 months	776,888	752,695+ 3%
Employment—December index	101.1	95.3
Newsprint production—December tonnage	163,177	136,983+ 19%
Automobiles produced—11 months to November 30	197,364	153,317+ 29%
Immigration, 11 months, to November 30	130,569	80,904+ 62%
Business failures—No. of firms,, 12 months	2,196	2,371— 7%
Liabilities	37,082,882	45,767,8,25— 19%
Imports of key commodities, 12 mos. ending December 31—		
Rubber (raw, in pounds)	45,366,960	44,547,517+ 1%
Cotton (in pounds)	134,690,811	121,047,597+ 12%
Crude petroleum (in gallons)	667,627,576	544,286,673+ 22%
Exports of key commodities, 12 months ending December 31—		
Canned salmon, cwt.	597,593	748,686— 20%
Newsprint, cwt.	34,639,718	28,033,091+ 24%
Wheat flour, bbls.	10,456,916	10,318,840+ 1%
Wheat, bushels	250,116,414	222,344,546+ 12%
Saving deposits, Dec. (chartered banks)	1,372,763,485	1,318,875,483+ 4%
Current loans, Dec. (chartered banks)	970,053,595	903,259,725+ 7%
Exports, 12 months to December 31	1,268,581,976	1,270,986,354— 0.1%
Imports 12 months to December 31	1,008,341,911	890,193,348+ 13%
Balance of trade, 12 months to December 31	260,240,065	380,793,506— 31%
Bond sales, 12 mos.	567,341,196	496,500,000+ 14%
Bank clearings, January	1,508,258,374	1,349,306,742+ 11%
Construction contracts awarded in January	16,771,800	12,669,000+ 32%
Prices:	1927	1926
Pig iron (Number 1 foundry) Feb. 9	24.80	Feb. (Aver.) 26.85
Cattle—Good, Toronto, Feb. 14	6.50	Feb. (Aver.) 6.87
Wheat, No. 1, Nor. Winnipeg, Feb. 14	1.38	Feb. (Aver.) 1.54
Hogs—Select, Toronto, Feb. 14	10.75	Feb. (Aver.) $14.29

MARITIMES READY TO GIVE OTTAWA CHANCE TO ACT

Will Not Start Fight for Duncan Recommendations for a While

From Our Own Correspondent.

SYDNEY.—While this section of the Maritime provinces is vitally concerned over the Duncan report and is awaiting with eager, almost painful, interest, the fate of its recommendations in the federal house, on all sides there is a general inclination to curb impatience and give the government a chance to do something. It is realized that many of its provisions cannot be put in force immediately.

No commentary to date has aroused so much interest in the Maritimes as The Financial Post's story of February 4, estimating the annual cost of enforcement of the Duncan report at $6,000,000. The article is conceded to be in the main correct, but there is a feeling that the further statement that the government must forego reduction of taxes if the report is adopted is calculated to seriously cripple our hopes of success.

Calls it Insidious

"This way of putting it is nothing if not insidious and well calculated to rouse public feeling against the report," says the Glace Bay Gazette, published in the heart of the coal fields.

"The tax payers of the upper provinces are told in effect that if the Maritime report is adopted they need look for no further tax reductions, not at least for some time to come. The question whether the Maritimes are justly entitled to this relief is apparently not considered."

This comment is typical of eastern reaction to the Post's story.

The editorial continues: "But there is a side to the matter not touched by The Financial Post's correspondent. He overlooks the fact that there is a credit side to the transaction. If the acceptance of the Duncan report means improved business for the Maritimes, such improvement will not be confined to this section of the Dominion. All parts of the country, and particularly Central Canada, will share it, and a part at least of the cost of the Duncan report will go back to the Federal treasury."

Wolvin Thinks Reports Favored

"I believe the country is prepared to see carried out the recommendations of the Duncan report very much as they are made," declares President R. M. Wolvin, of Besco, who recently paid a visit to Sydney.

At a meeting of Sydney citizens to consider the report and the proposed Ottawa delegation, some very striking statements were made.

John R. MacIsaac, traffic manager of Besco, said, that, great as is the increased subsidy provision of the Duncan report, the freight rate provisions mean infinitely more to the people of Nova Scotia. He had been astonished by the figures, when told what C.N.R. experts consider this one provision will mean in dollars and cents, in the run of a year.

Finlay MacDonald, M.P., after roasting the House Progressives for alleged failure to back up Maritime claims, although he said some of them had been "brought to Canada at no expense to themselves and set up in farming with tools and machinery purchased by the taxpayers of the Maritimes," hailed the coking plants recommendations of the Duncan report as the real salvation of the Cape Breton coal industry.

Referring to recent newspaper reports of a proposed bounty on Canadian coal for coking purposes, he declared:

"I want to tell you right here and now that that plan is absolutely worthless to us in Nova Scotia."

He predicted that such a bounty merely means a chance for Upper Canadian coke makers to beat down the price of American fuel.

"It will not sell a pound of Nova Scotia coal," he said.

Sheep One of the Most Profitable Lines on Farm

Canadian farmers need not be afraid of extending their sheep holdings, according to Dominion Live Stock Commissioner H. S. Arkell. "This country imports $46,000,000 worth of woollen goods, while it produces less than $5,000,000 worth of wool. There is no reason in the world why we should not produce a far greater share of our own wool," Mr. Arkell stated, "as barring a few of the finer grades we can manufacture cloth largely from our own raw material, which will compare favorably with anything in the world."

Mr. Arkell strongly advocates more sheep on the smaller farm, and maintains that despite a rather unfavorable wool market last year, sheep are still one of the most profitable lines on the Canadian farm. Farmers in this country, he said, had a distinct advantage in possessing their own wool marketing machinery in the Canadian Co-operative Wool Growers. This Association of producers, he pointed out, which allowed the grower to hold his product, grade it, and feed it to the market gradually, had saved farmers probably ten cents a pound this year.

Credit Associations Active With Fraudulent Failures

A report from the Credit Protection Department of the National Association of Credit Men in the United States shows that the department has done effective work in punishing those responsible for fraudulent failures. For the period from June, 1925, to November 30, 1926, they display a record of 528 indictments and 187 convictions. In addition, they had on November 30, a total of 530 cases pending and 221 pending indictments. They have lost only 16 cases. They point out that while many indictments were not followed by convictions, an indictment is, in itself, sufficient stigma to warn credit granters against further dealings with those who fail fraudulently.

Dollar Volume of Business in States Shows Slight Recession

Check payments in the United States during the last week of January were lower than in either the preceding week or the corresponding week of 1926, according to the weekly statement of the Department of Commerce. Loans and discounts of Federal Reserve member banks, although larger than a year ago, were smaller than in the preceding week. Wholesale prices were generally lower than in either the preceding week or the corresponding week of 1926, the decline from the previous week being registered despite the increased prices for wheat, cotton, and iron and steel. Interest rates for call loans averaged lower than in either the previous week or a year ago, with time-money rates showing no change from either comparative period. Prices for stocks on the New York Stock Exchange averaged lower than in the preceding week but were higher than a year ago, with bond prices showing similar comparisons. The production of crude petroleum, although larger than a year ago, was smaller than in the previous week. Business failures were less numerous than in the preceding week but larger than a year ago.

National Steel Car Busy

National Steel Car Company's orders from Canadian National Railways are: Ten first-class coaches, twelve baggage cars and four combination smoking and baggage cars. Canadian Car & Foundry Co.'s orders from the same railroad, as already reported, are for twenty sleeping cars, five compartment and observation cars and twelve dining cars.

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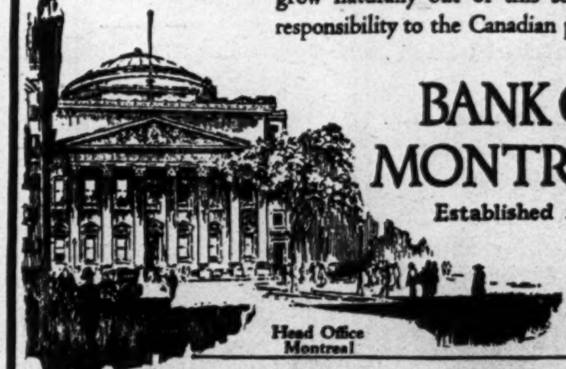

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Laxity in Sales Tax Collection Handicaps All Honest Business

"The discriminatory collection of the sales tax has created a disease in the business organism that, if left unchecked, will become a serious plague." So remarked a Toronto business man this week. "It is seriously affecting sound business." He went on:

"I can not understand, for the life of me, why, with its need of revenue, the government pursues the course of allowing any latitude in respect to sales tax payments. They might just as well sell stamps on time or give credit at the customs house.

"A lot of business organizations are clamoring, in disgust and despair, that the sales tax be abolished altogether, particularly owing to the dreadful incompetency of the government in dealing with collections."

Over 2,400 In Arrears

The attitude of this business man fairly well summarizes the attitude of manufacturers and wholesalers throughout Canada. Earnest and sound business houses that pay their sales tax promptly each month as due, and who consider their sales tax payments as merely money collected and held in trust for the government, are amazed and chagrined to find that in hundreds of cases their business competitors are holding up their sales tax payments to the government, using the money so collected in the ordinary conduct of their business and, in many cases, receiving no worse punishment than an occasional letter from the department of customs and excise at Ottawa.

On December 1st, last, there were over 2,400 firms in Canada in arrears in their sales tax payments. The number of sales tax licenses in Canada has been placed at 40,000. If this figure is correct, 6 per cent. of the business houses in Canada were in default at that time. Experience has proven that a regrettably large proportion of these houses will go bankrupt, owing government sales tax that will never be collected in full. The burden will fall that much more heavily on firms that have already paid their taxes.

Call Government Concealed Creditor

Under its present system of giving firms as much time as they want to pay their sales tax, the government becomes a concealed creditor. Before the Bank Act was amended, there was much criticism of Section 88, which provided that banks could take liens on inventories to secure loans made to business houses. The act was finally changed, providing for the registration of all such liens because it was realized that when they were not made public in some way, they made the banks concealed creditors. Ordinary trade creditors never knew where they were at in extending credit to any firm.

If it was wrong for the banks to be concealed creditors, is it not equally wrong that the government should be a concealed creditor?.

The other day a driver of a bread wagon was up in the police court in Toronto and punished because he had failed to turn over to the bread company money that he had collected from customers. His defence was that he was merely holding back some of the money as a loan and intended to pay it over later. But he was punished.

Difference Is In Punishment

What is the essential difference between this case and the case of a company that collects sales tax from its customers and yet fails to turn it over to the government for whom it collected the money? The difference seems to be in the punishment provided. The bread-wagon driver who financed himself on company money went to prison. The business house, crooked or honest, that carries on with government money, often enough using that money to keep its other creditors from becoming too pressing, gets billets doux from the department of customs and excise. If, after many months of patient letter writing, the department gets no results, it initiates civil action in the courts, only to find, in many cases, that its creditor has flown or gone bankrupt

Government Gave Firm That Once Went Broke $2,700 Sales Tax Credit

"What Every Credit Manager Knows" is simply this: that the department of customs and excise, which deals with the people's money and has no credit manager, extends to many business firms throughout the country a line of credit that no private firm would extend. And perusal of the reports of liquidators of companies that have gone bankrupt shows that the result of this policy of the government is that the country loses yearly enormous sums of money due it for sales taxes.

Last week, The Financial Post gave some examples of amounts that had been lost to the government through the bankruptcy of firms to which the government had extended undue credit in the payment of sales taxes. It was then stated that, in many cases, the government was the largest creditor; that it extended to various firms a line of credit that they could not obtain from private firms from whom they bought.

Government Usually Heaviest Loser by Bankruptcy

Examination of other records of bankrupt concerns show that the examples cited then are by no means exceptions; that it is in fact the general rule for the government to be the largest, or one of the largest preferred creditors, when a company goes bankrupt or is wound up with only small payments to preferred creditors.

There was one concern in Toronto that went into liquidation following the war, owing the government thousands of dollars for business profits war tax. It was re-organized, (as is often the case following a bankruptcy) and went bankrupt a second time. This time it owed the government $2,723 for sales tax. The government was the largest creditor; credit managers of private concerns knew better than to extend to this firm credits up to $2,700. But the goverment's previous experience had taught it nothing. The firm's assets were found to consist of a few accounts receivable hypothecated to the bank and some machinery worth less than the liens against it. The distribution to the creditors was not worth mentioning. The same group, under another firm name, are still in business. One wonders if again it is not the government that is extending them the longest line of credit; allowing them to operate and rob honest business men through the use of government funds.

More Losses to Government

Another firm that went bankrupt owed its preferred creditors a total of $6,862.35. Of this amount, it owed the department of customs and excise no less than $5,200. The government's recovery was very small.

In another case, the government was owed $1,275.07. The next largest preferred creditor was owed $409. The bank got the entire estate and the government got nothing.

In still another instance, the government's claim for sales tax totalled $981.50. It finally collected $85. The next largest preferred creditor was the landlord. His account for three months' rent was $625.02. The total assets of this estate amounted to $2,869.

Any credit manager who extended $981.50 of credit to a firm with total assets of $2,869 would be on the carpet before his general manager. Yet the government extended such a credit to this firm; and not for services or for goods but for money that had been collected by this firm as sales tax and was in reality money held in trust for the people of Canada.

How does the government go about collecting such arrears from defaulting sales tax creditors?

The answer, as an official in the department gave it, is that it writes letters. It says: "Please pay us the money." In scores of cases, it does not get it. Honest business men foot the bill.

BUREAU OF CANADIAN INFORMATION

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CANADIAN PACIFIC RAILWAY COMPANY

Department of Colonization and Development.

MONTREAL, CANADA. J. S. Dennis, Chief Commissioner.

MUST DOUBLE POWER PLANTS EVERY DECADE

Electric Consumption in Vancouver Increases Ten Per Cent. in 1926

With an increase of 10 per cent. in the consumption of electricity during 1926, the B.C. Electric Railway Co. is faced with the necessity of doubling the capacity of its hydro-electric system every eight or ten years. This announcement was made by George Kidd, president of the company, who has returned to Vancouver after an absence in England.

The shareholders of the company, according to Mr. Kidd, appeared well satisfied with the condition of their interests in British Columbia, as set forth at the annual meeting of the company.

A number of interesting figures in connection with the growth of the company were given by Mr. Kidd. A total of 72,547,367 passengers were carried on the railway lines of the company during 1926, and 417,003 tons of freight were hauled over the lines.

90,000 Consumers

A total of 89,720 light and power consumers were supplied with 389,418 400 kilowatt hours of electricity, and 891,304,100 cubic feet of gas were manufactured to supply 33,158 gas customers. Mr. Kidd informed the shareholders of the bus and truck service inaugurated some time ago and showed that these vehicles were proving very satisfactory as passenger carriers and feeders to the railway lines.

Speaking of the increase in consumption of electricity, Mr. Kidd stated that average increase amounted to 8 per cent. During 1926, however, it rose to 10 per cent. It takes about three years to develop a hydro-electric plant, he said, and the company's output will probably have to be doubled every eight or ten years.

2,400 Default in Payments of Sales Tax

Over 2,400 firms in Canada were in default in payment of sales tax on December 1 last. This information was given by the government in reply to a question in the House of Commons by H. C. Hocken, M.P.

Of 2,400 firms in arrears 524 were being followed up by local collectors. No less than 1889 were in the hands of the department itself and litigation had been inaugurated in the case of 566 firms.

Hansard reports:

Sales Tax Arrears

Question:

1. How many firms in the Dominion were in default in payment of the sales tax on December 1, 1926?

2. What is the number so in default in each province?

Answer:

Province	Active	Inactive	Total
Nova Scotia	23	55 (18)	78
Prince Edward Is.	1	9 (6)	10
New Brunswick..	9	16 (4)	25
Quebec	280	690 (208)	970
Ontario	149	770 (240)	919
Manitoba	21	99 (32)	120
Saskatchewan ..	12	16 (14)	28
Alberta	11	59 (9)	70
British Columbia	18	175 (35)	193
Totals	524	1889 (566)	2413

Note—

Active arrears represent those firms in default being followed up by the collectors.

Inactive arrears represent firms in default being followed up by the department at Ottawa, the figures enclosed in brackets representing the number in litigation.

APPRAISALS REPORTS INVESTIGATIONS

Industrials—Public Utilities—Natural Resources

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THERE is only one accurate, sound method of determining depreciation—and that is by an examination of the property itself, and the testing of this examination by standards which are complete and in absolute accord with sound business principles.

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PROFIT DOUBLES FOR COMMERCIAL FINANCE IN YEAR

Position of Company Handling Time Auto Sales Greatly Improves

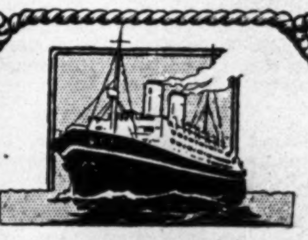
Commercial Finance Corp., Toronto, in 1926 had a net income of $66,230, compared with $33,491 in the previous year, according to the balance sheet just published. In addition to the 7 per cent. paid on the preferred stock, $2 was paid on the common shares in the year. Reserve for income tax is $5,787 and the surplus was increased by $26,290 to a total of $105,172. Net earnings were equivalent to $19.50 on the preferred and $7.07 on the common.

The balance sheet also shows a growth in current assets from $382,697 to $2,075,618. Liabilities in the form of notes payable to bankers showed a material increase, but there was an expansion in notes receivable. The amount payable to bankers was $322,000 less than notes payable to the company, which totaled $1,867,079 at the end of the year. Net working capital stood at $486,143, which is an increase of $117,757 over 1925. Total assets are now given as $2,151,471, which is an increase of $577,537.

During the year just closed the common stock was changed from $600,000 of $100 par value to 6,000 shares of no par value. P. W. Pearson of Newmarket succeeds A. S. Wigmore on the board. The other directors are: Charles Bauckham, A. E. Dyment, H. R. Frost, Lorne Johnston, Thomas Leeming and G. D. deC. O'Grady. The last named is managing director.

Heads Packing Company

MONTREAL.—L. W. Simms, of Saint John, has been elected president of the British-Canadian Packing Company, and P. M. Stanley, vice-president. Samuel J. Parkill has been re-elected secretary and R. D. Paterson has become a director to fill the vacancy created by the resignation of G. E. Barbour.



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Reserve Fund $20,000,000

Canadian National Railways

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A STAFF of officers, qualified to give information of the widest possible character, based upon a practical knowledge of the country, is maintained for the convenience of all persons desirous of investigating opportunities in Canada for investment of capital in development of industrial, mining, sylvan industries and water power.

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Natural Resources Branch, C.N.R. General Offices, Montreal, P.Q.

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1926 THE MONTREAL COTTONS LIMITED

THE ANNUAL REPORT of the Directors to the Shareholders, at this, the Fifty-fourth Annual Meeting, held at their office in Montreal on **Monday, the fourteenth day of February,** nineteen hundred and twenty-seven, at the hour of twelve-thirty o'clock P.M.

Gentlemen:—

It is with pleasure that your directors place before you to-day what they consider a satisfactory statement of the Company's business for the year ending December 31st, 1926. The sudden de line in raw cotton during the year had the effect of unsettling business, there being no stability in prices, causing limited purch sing and even then in small quantities. Owing the the conservative policy of keeping inventories on a sound basis your Company has n t suffered extensively through the raw material decline. Sales for the year amounted to $5,626,017.44 showing a decrease from the previous year of $341,028.47. The usual depreciation has been provided for. The receding of the water in the St. Lawrence has affected your power plant very materially. To offset this your Directors have been obliged to dredge the waste water race ten feet deeper at a cost up to the present of $150,000.00. It is hoped to finish the work in six months. New machinery and water imp ovements amounting to $207,668.01 and replacement machinery amounting to $70,488.14 have been added to the property. The reg lar dividends on preferred and common stock have been paid during the year. The plant has been fully maintained and is in excellent condition. We have much pleasure in commending the efficiency of the Officers and staff of the Company and the loyalty and diligence of the employees throughout the works. The Annual Audited Statement of the Company's affairs and the Auditors' Report will now be read. All the Directors retire and are eligible for re-election. The whole respectfully submitted.

C. B. GORDON, President.

Balance Sheet as at 31st December, 1926

ASSETS

FIXED:		
Land, Building, Machinery and Equipment less depreciation		$4,828,125.41
LIQUID:		
Cash on hand and in Bank	$ 28,852.60	
Accounts Receivable	859,690.35	
Inventories of Merchandise Manufactured and in process	1,285,435.53	
Raw Cotton	355,221.70	
Supplies	286,938.57	
Loans and investments	1,219,748.95	
		4,035,887.70
DEFERRED CHARGES TO OPERATIONS:		
Unexpired Insurance		2,030.00
		$8,866,043.11

LIABILITIES

CURRENT:		
Accounts Payable, accrued interest, wages, etc.		$918,045.79
BONDS:		
The Montreal Cotton Co. 1st Mortgage Sinking Fund 5% due 1943	$1,000,000 00	
Less redeemed	416,973.33	
		583,026.67
(Outstanding in Sterling=£119,800)		
CAPITAL STOCK:		
7% Cumulative Pfd—Authorized 5,000,000.00 Issued	3,000,000.00	
COMMON:		
Authorized 5,000,000.00 Issued	3,000,000.00	
		6,000,000.00
SURPLUS AND RESERVES:		
Bond Sinking Fund	416,973.33	
Pension Fund	61,377.90	
Profit and Loss Account (subject to Income Tax for 1926)	886,619.42	
		1,364,970.65
		$8,866,043.11

CONTINGENT LIABILITIES:
Bills Receivable under discount $39,937.80.

Profit and Loss Account

To Bad Debts written off		$ 3,370.60
" Bond Interest		28,909.32
" Transfer to Bond Sk. Fd. Reserve		378,257.43
" Dividends:		
Preferred	$210,000.00	
Common	180,000.00	
		390,000.00
" Balance—as per Balance sheet (subject to Income Tax for 1926)		886,619.42
		$1,687,156.77

By balance forward 1st January, 1926	$1,214,851.38	
Less—Inome Tax 1925	20,852.93	
		1,193,998.45
" Manufacturing Profits		396,469.42
" Returns from Investments		86,301.47
" Profit on Securities		5,574.53
" Refund on Bond Interest		4,812.90
		$1,687,156.77

JOHN LOWE, *Secretary-Treasurer.*

C. B. GORDON, F. W. MOLSON, *Directors*

AUDITORS' CERTIFICATE

Subject to our report of the 11th February, we beg to state that we have examined the above Balance Sheet and Profit and Loss Account, and we certify that, in our opinion, they are properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us and as shown by the books of the Company. We have obtained all the information and explanations which we have required.

Montreal, 11th February, 1927.

McDONALD, CURRIE & CO., *Chartered Accountants.*

Dominion and Provincial
Government Bonds
Municipal Bonds
Public Utility
and
Industrial Financing
Foreign Issues quoted

DOMINION SECURITIES CORPORATION LIMITED
MONTREAL OFFICE 189 St. James Street — Established 1901 — LONDON, ENG., OFFICE No. 6 Austin Friars
E. R. WOOD, President
Head Office: 26 King Street East
TORONTO 2

B. C. FISH PROFIT WILL BE KNOWN ABOUT MARCH 15

Estimate of $550,000 Earnings is Doubted by Many

The annual meeting of shareholders of British Columbia Fishing & Packing Co. will be held in Vancouver, B.C., probably on March 29th. The balance sheet showing earnings and net profit for the year will be mailed from Vancouver on or before March 15th.

In the meantime, speculators—there do not seem to be many actual investors in the company—are nervously pondering the question as to whether or not earnings are at the figure rumored three weeks ago. There was some semblance of authenticity to the statement that the net would be $550,000, compared with $354,220 for 1925.

Packs Cheaper Grades

Following a meeting of the directors in Toronto, fairly definite, although unofficial, statements were made. These resulted in an upturn in the stock, although the speculative public felt it had reason to be grieved at the contradictory news which first had carried the stock to 108½ and then down to 73.

No person connected with the company has explained the reasons for the increase in earnings expected to be shown. It is known that the pack of sock-eye salmon was lower. It has been pointed out from other sources, however, that the company, for the first time, is packing the cheaper grades of salmon and that this business, while not profitable in itself, has tended to keep down the overhead. Moreover, the revenue from the Wallace Fisheries, acquired early in the fiscal year, have been satisfactory, it is declared. The Goose-Parking report, appearing this week, was decidedly favorable.

Keep Off, Is Advice

Some of the more conservative brokers and stock-market operators decided that B.C. Fish was good stock to leave heartily alone since there was no sensible manner of determining its worth. But evidently there were many speculators who saw in the apparently more authentic news of the company's progress in 1926 a chance to average their losses. They bought in at the low figure, and present firmness in the stock at around 90, indicates a hope on the part of many holders that the price will go still higher.

But there is a rather substantial short interest in the stock. The judgment of the shorts is that the earnings have been considerably below the figure reported three weeks ago. They declare, moreover that the stock at the existing level is priced too high, even if the earnings are going to be shown as stated. They base their contention of excessive valuation of the stock on the ground that the intrinsic assets of the company are not in accordance with capitalization, and on the theory that the profit and loss statement is not likely to show conservative treatment of profits and expenses.

Expenditures Are High

The balance sheet of the company for 1925 showed value of real estate, buildings, plants, hatchery, saw mills, brands, etc., less depreciation, at $2,394,636. Current assets were given as $2,070,678, and current liabilities of $161,036, giving working capital of $1,909,642. Contingent liabilities were time and sight bills and drafts on customers discounted with bankers, amounting to $212,900, and loans guaranteed on behalf of associated company, which were $118,000.

The paid-up capital of the company is now $5,000,000, compared with $4,291,800 at the end of 1925. Treasury stock was used in acquiring the Wallace Fisheries. It is possible that the working capital position of the company will not be so favorable in the 1926 report as in 1925, because it is understood that the company's auditors have acquiesced in treating some of these expenditures as capital, to be charged off at the rate of 10 per cent. annually.

A chart published in The Financial Post on January 28th illustrated the extremely erratic course of B.C. Fish on the Toronto stock exchange in the last several months. Conservative brokers have been advising their clients not to deal in B.C. Fish on the ground that rumors too often have proved unreliable in the past to make it possible to make more than a guess as to what are the possibilities in the stock.

Few Buy For Investment

So far as The Financial Post is able to determine, there is virtually no investment interest in the stock outside the holdings of a few persons who have an intimate knowledge of the operating end of the company. Practically all the stock is bought from a purely speculative viewpoint and is carried by brokers on margin. Disinterested advisers do not recommend buying the stock for investment.

The Financial Post is informed that the proposal to change the capital structure of the company will be passed on by the shareholders at the annual meeting. The proposal of the directors, who are said to be unanimous, will be that for each share of the present stock there be issued one share of preferred of $50 par value and two shares of common of no par value. The preferred will be 7 per cent cumulative.

Earnings Vary Widely

One objection to the stock of this company for investment purposes is that the salmon industry has been necessarily spasmodic. Until last year this company did not bother to pack any fish except the sockeye salmon, in which there is a good profit. But good catches usually were less frequent than poor catches. In 1926 the company began to pack other grades of salmon. There is little or no profit in this business, it is said, except that the revenue thereby tends to take care of overhead when the run of sockeye is not up to normal.

Revenue from the Wallace Fisheries over a term of years may tend to give the company a steadier income, since the Wallace Fisheries are engaged in deep-sea fishing and operate most of the year.

Earnings of B.C. Fish in 1922 were $22,415. In 1923 there was a deficit of $125,114. The 1924 earnings were $129,153 and the 1925 figures were $578,654. These figures were before depreciation and taxes in each case.

According to one of the Eastern directors of this company, it is well regarded on the Pacific coast from an operating viewpoint. Aemilius Jarvis, president, and J. M. Whitehead, the general manager, recently returned from Europe where, it is said, they procured a number of contracts, especially in Italy, which promise to be of advantage to this company. These, in the opinion of directors, make the outlook for the company brighter than it has been in recent years.

From an independent viewpoint, it is difficult to forecast the future of this company. There are no indications that the salmon or deep-sea fishing on the Pacific coast is a waning industry. The companies and the government have co-operated to good effect in promoting the industry. If the future of B.C. Fish is judged merely by the past, there will be wide variations in earnings from year to year, assuming that the present management of the company is no less successful than its predecessors.

PROVINCIAL PAPER SHARES APPRECIATED

Annual Report Shows Greater Earnings in 1926 Than for 1925

Provincial Paper Mills earned 17.4 per cent. on common stock in 1926, compared with 13.35 per cent. in 1925.

Manufacturing profits amounted to $1,218,105 and sundry revenue $6,375, making total revenue of $1,224,480, as compared with $1,060,304 in 1925, representing an increase of $164,176, or 15 per cent. Bond interest absorbed $81,589, depreciation $300,000, reserve for doubtful debts $2,400, balance of bond discount $50,000, reserve for income tax payable in 1927 $60,000, and preferred dividends $119,000. After these deductions, $611,491 remained. The regular 6 per cent. dividend on common was paid, with a bonus of 1 per cent., leaving a surplus to carry forward into profit and loss account of $366,491. This with the balance of $936,220 brought forward made the total surplus $1,602,711.

Property and plant account was $8,236,527, compared with $7,009,519. Of this increase, $1,066,407 was for Port Arthur extensions during 1926. Bank loans for Port Arthur extensions amount to $400,000, and accounts payable for Port Arthur extensions of $145,709, making a total of $545,709.

Total assets stood at $10,866,881, an increase of $1,194,755. The company's net working capital showed a decrease of $156,935, most of which is accounted for by accounts payable for Port Arthur extension.

Working capital was $1,423,173.

Profit and Loss

	1926	1925	1924
Man. profit	$1,218,106	$1,045,493	$878,012
Other profits	6,375	14,810	8,755
	$1,224,481	$1,060,303	$886,767
Less:			
Interest	81,590	83,905	97,963
Depreciation	300,000	300,000	280,000
Bad Debts	2,400	99	8,025
Bond Dis.	50,000	20,000	13,023
Taxes	60,000	70,000	50,000
	$ 493,990	$ 474,004	$449,011
Net Profits	$ 730,491	$ 586,299	$437,756
Pref. Div.	119,000	119,000	119,000
Com. Div.	245,000	245,000	210,000
Balance	$ 366,491	$ 222,299	$108,756
Prev. Bal.	936,220	713,921	605,165
P. & L. Bal.	$1,302,711	$ 936,220	$713,921

Shares Have Appreciated

MONTREAL—There seems to be some scarcity of the common shares of the Provincial Paper Mills for the bid for the stock has increased by about 7 points and now stands around 124, yet there is apparently little or no stock offered. This figure compares with a high and low during 1926 of 116 and 100. During the past three years the company's earning power has shown a satisfactory increase. The appreciation in the stock has been due first of all to improvements and betterments which have been carried out, and secondly to the betterment in the domestic high grade paper market.

Northern Trusts Earned 6 P.C. on Stock; Paid 4 P.C.

Northern Trusts Company, of Winnipeg, had considerably improved earnings in 1926. Earnings totalled 6% on capital, out of which 4% was paid. Dividends were 8% annually until 1924, when they were reduced to 3% and were finally eliminated in 1925.

Comparative figures follow:

Profit and Loss

	1926	1925	1924
Earnings	$ 90,077	$ 69,848	$ 56,446
Interest adjust.	.....	.....	11,981
	$ 90,077	$ 69,848	$ 68,427
Distribution:			
Dividends	$ 60,000	.....	$ 45,000
Bal.	$ 30,077	$ 69,848	$ 23,427
Prev. bal.	144,097	74,249	50,822
	$174,174	$144,097	$ 74,249

Rate of Earnings

Year	Paid-up Capital	Profits	Earn. on Stock	Div.	†Earn. Rate
1918	1,500,000	127,697	8.5	8	6.6
1919	1,500,000	137,265	9.1	8	7.1
1920	1,500,000	136,448	9.0	8	7.0
1921	1,500,000	130,910	8.7	8	6.8
1922	1,500,000	133,215	8.8	8	7.0
1923	1,500,000	104,141	6.9	8	5.6
1924	1,500,000	56,446	3.7	3	3.4
1925	1,500,000	69,848	4.6	.	4.1
1926	1,500,000	90,077	6.0	4	5.1

†Per cent. capital, reserve and balance at beginning of year.

A. C. Malloch Appointed

Affiliated Engineering Companies announce the transfer of A. C. Malloch to their Toronto office. Mr. Malloch is a graduate in mechanical engineering of Queen's University and served in the Royal Air Force during the World War. Prior to joining Affiliated, Mr. Malloch was connected with the mechanical department of the Canadian Pacific Railway Company in Montreal.

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Stock Market

MASSEY-HARRIS AGAIN FEATURES STOCK MARKET

C.P.R., Bridge, Utilities, Papers, Page-Hersey, Canners Other Strong Issues

MARKET INDICATOR

20 Industrial Stocks		
Week of Feb. 16	101.2	98.7
Week of Feb. 9	100.2	97.4
Month of Feb., 1926	88.8	80.5
9 Bank Stocks		
Week of Feb. 16	$239	$237
Week of Feb. 9	240	237
Month of Feb., 1926	227	224
10 Public Utilities		
Week of Feb. 16	105	103
Week of Feb. 9	105	103
Month of Feb., 1926	103	99

Massey-Harris common again was the feature in Canadian stocks, reaching a high of 97 on the sale of a large block of shares held by the Massey Foundation and Massey family. This sale, involving both common and preferred, was at considerably above the market price and although the stock receded Wednesday on realizing, it is predicted in many quarters that the issues will sell higher. The strong financial position of the company makes for bullish sentiment apart from the widespread interest in the deal just closed. Massey-Harris common has a book value of $131 the share, which is a pronounced improvement over the situation prevailing a few years ago. The stock market is inclined to believe that, assuming that existing conservative financial administration and aggressive marketing policy continue, the future of this Canadian company is highly promising.

In the Montreal market, Dominion Bridge has been attracting attention in moving to new high ground. There were a number of other strong stocks, including Bell Telephone, Montreal Power and Quebec Power. Penman's reached a high of 212 incident to a split in the stock. The pulp and paper issues were strong on New York buying, in contrast to a certain degree of listlessness that has existed in recent weeks.

C. P. R. at 180

Canadian Pacific has sold at 180, achieving a new high for the present movement. The stock market is gradually coming to believe, with other observers, that Canadian Pacific is a good investment stock at its present comparatively high price. The property's earning possibilities were never so good as at present.

Page-Hersey shares are strong as the significance of the recent report on the affairs of this company impresses itself. Canadian Canners preferred and common are giving good accounts of themselves on the assumption that 1926 earnings have been very good and the prospect bright. There has been a sharp rise in F. N. Burt, also in advance of the report.

A substantial short interest has developed in the most spectacular of the speculative stocks — B. C. Fishing. There is an animated dispute taking place as to the actual earnings of the company. The report will not be available until about March 15. The date for the annual meeting has been tentatively fixed for March 29 in Vancouver.

Oils generally have been firmer.

Bank of Toronto stock Wednesday experienced a sharp rise of 15¼ points.

The mining market has been somewhat firmer.

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	2	6	1	9
Paper	8	3	4	15
Steel	17	6	15	38
Foodstuffs	25	6	12	43
Utilities	12	6	11	29
Tractions	6	1	7	14
Textiles	8	7	2	17
Industrials	10	9	30	49
Total	88	44	82	214

Gosse Packing Earns $13.20 on New Common

Gosse Packing Company showed profits in 1926 that were equivalent to $13.20 per share on the common stock. This is the same stock that was given away last year as a bonus with the sale of preferred shares. The report covers only the period from April to December.

The profit and loss statement shows the following figures:

Profit and Loss

	April to Dec. 31 1926
Oper. profit	$496,327
Less:	
Interest	17,985
Depreciation	100,000
Prov. for taxes	50,000
	167,985
Net profits	$328,342
Dividends	64,246
P. & L. balance	$264,096

During this period the company packed 447,244 cases of salmon out of a total pack for all British Columbia of 2,065,190 cases. In addition to the salmon pack, the company turned out a large volume of pilchard products—fish-oil and fish-meal.

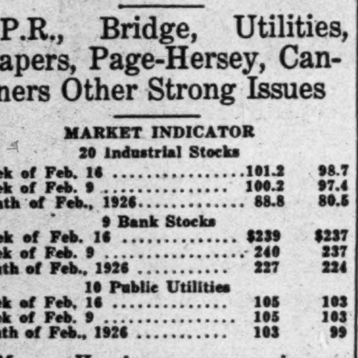
Balance sheet shows strong liquid position. Working capital was as follows at December:

Current assets	$1,458,008
Current liabilities	921,401

Balance sheet is exceptionally free of non-tangible items. Deferred charges are only set down at $57,441 out of total assets of $3,150,727. Liabilities show a contingent liability in respect of bills receivable under discount of $213,746.

Cosgrave Dividend

Cosgrave's Export Brewing Co. has declared a quarterly dividend of 1 1-4 per cent.



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Union Trust Brings Reserve to $600,000

Beyond a moderate increase in profits, the most striking feature of the annual statement of Union Trust Company was the addition of $100,000 to the reserve fund of the company. This brought the reserve to $60,000, or 60 per cent. of capital. The $100,000 was derived to the amount of $25,000 from contingent reserve; $26,000 from the year's earnings and $44,000 from profit and loss surplus.

Comparative earnings figures follow:

Profit and Loss

	1926	1925	1924
Profits	$120,039	$116,503	$111,078
Taxes	14,217	13,145	13,073
Written off	4,740	4,740	4,142
	$ 18,957	$ 17,885	$ 17,215
	$101,082	$ 98,618	$ 93,863
Distribution:			
Dividend	$ 70,000	$ 70,000	$ 70,000
Reserve	75,000	.....	.....
	$145,000	$ 70,000	$ 70,000
*Balance	$123,567	$ 28,618	$ 23,863
Prev. Bal.	167,485	138,866	115,003
P. & L. Bal.	$123,567	$167,484	$138,866

*Debit.

Nine Years' Record

Year	Paid-up capital	Net xProfits	Div.	% cap.	†Earn. rate
1918	$1,000,000	$98,363	7	9.8	6.7
1919	1,000,000	102,603	7	10.2	6.8
1920	1,000,000	90,166	7	9.0	6
1921	1,000,000	90,229	7	9.0	6
1922	1,000,000	95,772	7	9.5	6.4
1923	1,000,000	92,167	7	9.2	6
1924	1,000,000	93,863	7	9.3	5.8
1925	1,000,000	98,618	7	9.8	6.0
1926	1,000,000	101,082	7	10.1	5.8

xTaxes and amount written off deducted.
†Per cent. capital, reserve aud balance at beginning of year.

Savings deposits increased during the year from $1,222,269 to $1,390,163, while other trust funds for investment showed a decline from $3,194,830 to $3,123,599. Estates, etc., increased from $7,809,877 to $7,831,325. The amount would have been larger, it is indicated, had not the company been particularly energetic in winding up, without delay, various estates in its care.

Crown Trust Has Satisfactory Year

From Our Own Correspondent.

MONTREAL.—The annual report of the Crown Trust Company for the year 1926 shows the largest gross earnings in the history of the company. The expenses during the year were somewhat larger, which brought about a fractional decline in the net earnings, as compared with 1925.

The profit and loss figures over the past three years compare as follows:

	1926	1925	1924
Gross	$154,707	$147,750	$136,135
Exp.	99,013	91,568	80,888
Net Earn.	55,693	56,182	55,246
Div.	30,000	30,000	30,000
Bal.	25,693	26,182	25,246
Pre. bal.	21,965	20,783	20,537
Total	$ 47,658	$ 46,965	$ 45,783
To res.	25,000	25,000	25,000
P. and L. bal.	$ 22,658	$ 21,965	$ 20,783

Changes in the balance sheet include substantial increases in first mortgage, call and time loans. Cash account is up from $58,343 in 1925 to $82,187 in 1926. Trust funds held and funds held for investment in the guaranteed account show substantial increases and the total assets have increased by $1,350,000.

Canadian Celanese Sells $1,000,000 in Six Months

From Our Own Correspondent.

MONTREAL.—During the past six months, the sales organization of the Canadian Celanese has sold over $1,000,000 of celanese in Canada, despite the fact that to date the company has had to purchase all its requirements from the British and American companies operating under the same patents. The latter have not been able to keep up with the demand in their own countries so that the difficulties experienced by the Canadian company have been, not in selling the product, but in acquiring the material to sell.

The plant of Canadian Celanese at Drummondville, P. Q., is nearing completion and it will place the weaving department in operation next month. It will be some months before the spinning section of the mill is ready to begin operations. When completed, the new plant will have a capacity of two tons of silk daily. The mill has been so designed that further expansion may be carried out economically.

The Nation's Business

(Continued from page 1)

substantially reduced and further intimates that it does not need the help of the Army in populating Canada.

This drastic action seems to be totally uncalled for. The citizens of Canada are anxious to see the country develop. The Department's showing during the past ten years has not been at all favorable. The number of immigrants brought in by the department itself has been disappointingly small. If, through organizations unconnected with government control, more people can be induced to come to the Dominion, then by all means, these organizations should be encouraged and not hampered by governmental interference.

* * *

THE attack upon the Salvation Army, made by the Department of Immigration is petty, mean and unfair. Hon. Robert Forke, minister of immigration ought to take the occasion the indiscretion affords to lop off a few supernumary heads and get into his department men who will encourage immigration and work with every legitimate independent organization to get more people for Canada.

The time spent by officials in penning vitriolic tirades against the Salvation Army could be better employed bringing people to Canada.

P. T. Legare Reports Successful Operations

From Our Own Correspondent.

MONTREAL.—A year of progress is reported by P. T. Legare, Limited, of Quebec, whose annual report is now available. The more important features of the report are as follows:

Total sales for the year were $3,564,000, an increase over 1925 of $300,000. Profits for the year 1926 available for interest on outstanding bonds were $351,156, an increase over 1925 of $52,000.

Profits for the year 1926 are more than five times the bond interest requirements, interest requirements for the year being $69,300. After deducting dividends, bonus and a proportionate sum for bond discount, amounting to $94,743, a total of $187,113 has been carried to depreciation, reserve and surplus accounts.

Net assets of the company, after deduction of all debts, except the bonds outstanding, are $4,739,000. This amount of $4,739,000 constitutes at the present time the floating guarantee for the bonds outstanding and amounting to $980,000.

On December 31st, 1926, the amount of the capital and surplus of the company was $3,683,427.79.

The above figures cover only the operations of P. T. Legare, Limited, and do not include the operations of any of its subsidiaries. One of its subsidiaries, the Legare Automobile and Supply Co., which has branches throughout the Province of Quebec, reported sales during the past year of $6,500,000, while profits showed a substantial increase over the previous year. All other subsidiaries of P. T. Legare, Limited, have enjoyed a considerable expansion during the year.

C.N.R. Orders 40 New Locomotives in Canada

The Montreal Locomotive Works and the Canadian Locomotive Company have each received orders for twenty locomotives of the 4-8-4 type, designed for heavy passenger and manifest freight service on Canadian National lines in Canada. In general design these locomotives will be similar to the "6000" class, the largest and most powerful engines of their class in use in the British Empire. The new locomotives, however, will possess increased boiler pressure and will have 20 per cent. increase in tractive power, making this type an advance over the "6000" class. The larger boiler has been designed for burning any grade of coal.

The locomotives being built in Canada will go into service between Montreal and Sarnia.

The ten locomotives being built for the Grand Trunk western lines will be of similar type to those being constructed in Canada, while four ordered for the Central Vermont lines will be similar to the present "6000" class, but slightly smaller.

Another equipment order placed by the Canadian National Railways includes, 15 snow ploughs and 200 freight refrigerator cars, which will be constructed by the Eastern Car Company at Trenton, N.S.

RAILWAY EARNINGS
Canadian Pacific

Week-end:	1927	1926	Change
Feb. 7	$3,11[illegible],000	[illegible]	+[illegible]

Stock Market Record

WEEK ENDING FEBRUARY 15

	Div. Rate	Yield Feb. 14	High for wk.	Low for wk.	Close Feb. 15	Close Feb. 8	Sales for wk.	Range, 1927 High	Range, 1927 Low
Banks—									
Commerce	12+1	5.38	244	241	242½	244	168	248	228
Dominion	12+1	5.77	227	225	225	226	17	230	217
Can. Nationale	10	6.06	165	165	165	163	7	165	160½
Imperial	12+1	5.85	222	221½	221½	223	150	223	214
Montreal	12+2	4.88	287	285	286	286	186	295	272
Nova Scotia	16	5.16	310	308	310	308	58	310	298
Royal	12+2	5.38	260½	259	259	260	535	266	259
Standard	12	5.88	203⅞	203½	203⅞	205	20	207	196
Toronto	12	5.15	236½	233	233	236½	33	238½	232½
Paper—									
Abitibi, com. (no par)	5	5.91	86	84	85½	83	1477	88½	82
Do. pref.	7	6.03	..	...	...	...	...	116	113
Belgo-Can., pref.	7	6.81	102¾	102	102¾	102½	211	102¾	101
Brompton (no par)	50c	1.51	33	32¼	32½	33	1130	35	32¼
Inter. Paper, com.	50c	3.57	56¼	54⅝	55	55¾	4400	57⅝	54⅝
Laurentide	6	5.63	107¼	103¾	104½	104	8980	110¾	101¾
Price Bros., com.	2	3.30	60½	60	60	60	275	63	59
Do. pref.	6½	6.31	103	103	103	101½	95	104	100¾
Prov. Paper, com.	6+1	5.80	120½	120½	120½	118	20	121	115
Do. pref.	7	6.60	..	...	...	...	...	107	105¼
Smith, Howard, com.	.	...	66	64	66	64	235	68¾	60½
Do. pref.	8	7.54	106	106	106	106	65	106	103½
Span. River, com.	7	7.00	101¼	99½	101¼	99½	1143	104¼	99
Do. pref.	7	6.15	114	113	114	113½	309	115¼	112
Wayagamack	$3	6.12	49	46¾	46¾	48½	290	54¾	46¾
Steel and Steel Industries—									
B.E. Steel, com.	.	...	1¼	1	1¼	1	1220	1¼	¾
Do. 1st pref.	.	...	22¼	18½	22	18	790	22¼	17½
Do. 2nd pref.	.	...	4	2¾	3⅝	2¾	1832	4	2½
Can. Car & Found., com.	.	...	47¾	47	47	48	155	50¼	45½
Do. pref.	7	7.75	90¾	90	90	91	660	92½	89
Can. Fairbanks, pref.	.	...	..	...	...	...	...	80	80
Can. Forgings, com.	.	...	..	...	...	...	...	*17	8
Do. pref.	.	...	70	70	70	67	15	70	66
C.G.E., com. (par $50)	.	...	..	...	...	...	...	50	50
Do. pref. (par $50)	7	6.03	58	57½	58	57½	143	58¾	56¼
Can. Locomotive, com.	.	...	42	42	42	45	5	48	40
Do. pref.	7	7.95	88	87	87½	86	112	88	85½
Canada Iron, com.	.	...	..	...	...	...	...	12	12
Do. pref.	4	9.09	..	...	...	...	...	44	42
Dominion Bridge	4+2	4.38	147	131½	146	132	8698	147	116¾
Dominion Coal	.	...	..	...	...	...	...	75	71
Dominion Iron, pref.	.	...	5	5	5	5	40	5	5
Dom. Radiator, pref.	7	6.88	101¾	101½	101¾	100	14	101¾	100
Dom. Steel Corp., pref.	.	...	22	22	22	22½	35	25	22
Ford Motor	10	....	..	...	...	...	...	*622	500
Gould Pumps, pref.	7	7.00	..	...	...	...	...	100	100
Kelvinator, com. (no par)	.	...	15	11½	15	11	502	15	9⅞
Do. pref.	7	7.69	91	89½	91	89½	29	91	88½
McKin. Ind. c. (no par)	.	...	18	18	18	21	5	21	18
Do. pref.	7	7.48	94	93¼	94	93¼	230	94	93¼
Massey-Harris, com.	.	...	97	78½	90½	77	36698	97	67½
Do. pref.	7	6.57	106¾	105	105	105	891	106¾	103½
Ontario Steel, com.	4	5.26	78½	73	73	76	50	78	73
Do. pref.	7	6.84	102½	102½	102½	102¼	10	102½	102
Page Hersey, c. (no par)	$3	4.91	62	56	61⅝	56	2147	62	55½
Do. pref.	7	5.71	123½	117⅝	123	117½	1561	123½	116
Pressed Metals, com.	.	...	38⅝	38	38	37	160	38⅝	34¼
Do. pref.	.	...	..	...	...	...	...	85	85
Russell Motor, com.	3	6.12	..	...	...	...	...	*50	39
Do. pref.	7	7.65	92	91½	92	92	19	92	90⅛
Sawyer-Massey, pref.	.	...	..	...	...	...	...	5	5
Steel of Canada, com.	7	5.46	128½	127	127	127	1431	129½	117
Do. pref.	7	5.18	135½	134	135	133	41	135½	127
Milling and Foodstuffs—									
Arnolds, com. (no par)	.	...	26	18	25½	18½	4299	26	18
Do. pref.	7	8.33	92	84	90	86	188	92	84
Atlantic Sugar, com.	.	...	28	27½	27¾	27½	470	30½	27½
Do. pref.	.	...	90¾	90¾	90¾	90	100	92	90
B.C. Fishing	5	5.54	94½	88½	89¾	88½	10923	94½	73
Can. Bak., com. (no par)	.	...	29	29	29	29	30	33	29
Do. pref.	7	7.07	99	99	99	98	44	99½	98
Can. Bread, c. (no par)	$2.50	2.74	92	91	91	92	115	92	90½
Do. pref. (A)	7	6.27	111½	111½	111½	110½	4	111½	108½
Do. pref. (B)	7	6.63	105½	105½	105½	104	60	105½	103
Can. Canners, com.	.	...	27	24½	27	25	260	30	21
Do. pref.	4	5.00	84½	78	84½	78⅞	1827	84½	76
Canadian Salt	8	5.94	134⅝	134⅝	134⅝	132	1	134⅝	123
Christie Brown (no par)	$1.20	3.00	40	40	40	40½	50	40½	38
City Dairy, c. (par $25)	$3+1	4.44	90½	89	89¼	89¾	922	91	79
Do. pref.	7	6.03	..	...	...	...	...	116	112
Cuban Can. Sugar, com.	.	...	3½	3½	3½	3½	75	4	3
Do. pref.	.	...	33½	32	33½	32	50	33½	29
Wm. Davies (A) (no par)	.	...	26	26	26	25	340	29	25
Do. (A) (no par)	.	...	..	...	...	...	...	9	9
Dominion Stores (no par)	$2.40	3.38	70¾	69½	69½	72	155	72	65
Hamilton Dairies, com.	.	...	24	24	24	25	5	25	24
Do. pref.	7	7.10	98½	98	98½	96	35	98½	96
Inter. Milling, pref.	7	6.54	107	106	107	106	67	107	104
Lake of Woods, com.	12	7.50	160	159	160	157	185	160	150
Do. pref.	7	5.98	..	...	...	...	...	117	115
Loblaw, com.	$1.25	2.50	51	50	50¼	50	188	51	48
Do., Rights	.	...	2½	2¼	2½	2¼	171	2½	2
Do. pref.	7	6.51	..	...	...	...	...	108	107
Maple Leaf Mill, com.	.	...	61½	61½	61½	61½	25	61½	61½
Do. pref.	7	7.03	100	99½	99½	99	58	101¼	99
Ogilvie Flour, com.	5	2.03	250	242	246	237	316	250	205
Do. pref.	7	5.73	122	122	122	122	51	122	121¾
Pure Gold Mfg. (no par)	$2	10.00	..	...	...	...	...	20	19¼
Shred. Wh. (no par)	$3	5.31	57¾	56¼	57¾	56	635	57¾	55
St. Law. Flour, com.	.	...	31	30	31	31	115	31	30
Do. pref.	7	8.33	84	83	83	84	20	84	83
Viau Biscuits, com.	.	...	24	24	24	23	20	24	23
Do. pref.	7	8.14	86	85½	86	86	79	88½	85½
Western Groc. c. (no par)	$1	...	29	26	29	29	268	29	23
Do. pref.	7	8.80	81	79½	81	77	289	81	74¼
West. Can. Fl., c. (no par)	$1.40	6.08	23	23	23	22	30	24¼	22
Do. pref.	6½	6.31	103	102	103	102	20	103	100
Utilities—									
Bell Telephone	8	5.69	141	139½	140¼	140½	678	142	137
Calgary Power	.	...	..	...	...	...	...	50	50
Consumers Gas	10	5.71	175	173¼	174½	173½	259	175	171½
East Koot. Power	.	...	26½	26½	26½	28	3	29¼	26½
Do. pref.	7	7.21	..	...	...	...	...	97	97
Inter. Util. (A) (no par)	87½	...	31	31	31	29¾	200	31	28
Jamaica Pub. Ser., pref.	7	7.07	99	98	99	98½	97	99	97
Laurentide Power	5	4.34	116½	115	115	112½	141	120	114¾
Mackay, com.	7	5.85	123	119	120	123	140	127½	119
Do. pref.	4	5.55	72	71	72	71½	360	72	69¾
Mexican Light, com.	.	...	..	...	...	...	...	31	27
Do. pref.	.	...	..	...	...	...	...	95	77¼
Mont. L H & Pr. (no par)	$2	2.74	75	71¼	72¼	71¼	8705	75	68½
Montreal Teleg. (par $40)	8	5.33	50½	50¼	50⅛	50	22	50½	49¼
Nor. Mexico Pr., com.	1	...	56	50½	55	51	915	56	42
Do. pref.	7	8.48	82½	82½	82½	83	20	86	82½
Ottawa & Hull Pr., com.	.	...	..	...	...	...	...	28	28
Do. pref.	7	7.03	99½	99½	99½	97	10	99½	96
Ottawa L. H. & Pr., com.	6	6.09	99	98½	98½	99	210	101	98½
Do. pref.	6½	6.28	..	...	...	...	...	103½	102
Quebec Power, com.	6	2.71	225	218½	225	223½	3450	230¼	190
Do. pref.	7	3.57	..	...	...	...	...	*200	109½
Shawinigan	50c.	....	68½	67	68	67¼	6191	69¾	67
South. Can. Pr., com.	2	2.24	90	89	89	89	171	90	89
Do. pref.	6	5.97	100½	100	100½	100½	39	102	100
Transportation—									
Can. Pacific Rly.	10	5.71	177¾	175	175	178	155	180	166
Can. Steamships, com.	.	...	36	35	36	36	675	39¼	35
Do. pref.	1½	6.85	88	86¾	87	86⅛	1609	89⅛	82½
Do. voting	.	...	33	33	33	33	120	35	33
Tractions—									
Barcelona (par $50)	.	...	42	40	41	41	378	42	33½
Brazilian, com.	6	5.06	119½	117¼	117½	117	36776	119½	102½
Do. pref.	6	5.60	107	107	107	106½	505	107	104
Detroit Un. Rly.	.	...	..	...	...	...	...	2¾	2
Duluth-Superior	.	...	27	27	27	27	105	27½	27
Ilinois Traction, pref.	6	6.00	..	...	...	...	...	*100½	96¼
Montreal Trams.	10	5.71	175	173	175	175	149	175	169
Ottawa Traction	4+1	7.81	65	65	65	64	20	68	64
Porto Rico Rlys., com.	2	2.85	70⅝	60	70⅝	60½	319	70⅝	59
Do. pref.	7	7.60	..	...	...	...	...	92	90
Twin City, com.	5	7.57	66	64	65¾	64¾	637	66	60⅝
Do. pref.	7	7.00	..	...	...	...	...	100	100
Winnipeg Elec., com.	1	1.58	64	62½	64	62¾	3025	66½	60¾
Do. pref.	7	6.76	102½	102	102	103	77	103½	100¾
Textiles—									
Can. Conn. Cotton, pref.	4	8.00	50	50	50	46	140	50	36
Can. Converters	7	6.89	101½	101	101½	102¼	291	102¼	100
Can. Cotton, com.	8	6.40	123	123	123	125	1	125	120
Do. pref.	6	6.03	100	99½	100	100	21	100	95
Can. Woollens, com.	.	...	10	10	10	8	7	10	6
Do. pref.	.	...	61⅛	60⅞	61⅛	62	224	62	60
Cosmos Imp., com.	.	...	14⅞	14	14½	14	277	15½	13
Do. pref.	4	4.32	92½	91¼	92½	91¼	27	93	91¼
Dom. Textile, com.	5	4.54	110	109	109	109½	1615	110	105
Do. pref.	7	5.95	118½	117	109½	120½	71	120½	117
Monarch Knitting, com.	.	...	..	....	...	...	...	7½	7½
Do. pref.	.	...	50	50	50	54	10	54	50
Montreal Cottons, com.	6	5.48	115	115	115	110½	5	115	110
Do. pref.	7	5.98	117	117	117	115½	20	117	115
Penmans, com.	8+2	4.76	212	206¼	210	205	1642	212	182¼
Do. pref.	6	5.82	103	103	103	101½	1	103	101½
Wabasso Cotton	4+50c	4.05	114	111	111⅛	112	525	114	100½
General Industrials—									
Amer. Sales, c. (par $20)	4	5.71	71	70	70	71½	330	71½	67
Do. pref.	7	7.14	98	97⅞	97⅞	98	40	98	97½
Asbestos Corp., com.	.	...	23⅝	23	23	23½	2143	24¾	23
Do. pref.	7	8.14	86	85	85	85½	2548	87	82¾
Building Products, pref.	7	7.36	95	95	95	95	5	95	93½
Brant. Cord. pf. (par $25)	8	8.98	22½	21¾	22½	22¼	626	23⅝	21
Burt, F. N., c. (par $25)	12	5.08	59	58½	59	58½	220	60	58
Do. pref.	7	3.33	..	...	...	...	...	*210⅛	210⅛
Canada Cement, com.	6	4.36	139	134½	138	135	6056	139	124½
Do. pref.	7	5.83	120	119¼	120	120	107	120½	117
C. I. Alc. (no par)	$1.28+20	4.74	27	24	25¾	24⅝	25974	27	21¼
Canadian Oil, com.	5	4.00	..	...	...	...	...	125	99
Do. pref.	8	6.80	..	...	...	...	...	118	115½
Crow's Nest Coal	6	9.09	..	...	...	...	...	66½	65¼
Dom. Glass, com.	7	6.54	108	106½	107	107	1632	108	104
Do. pref.	7	6.19	113	113	113	113	24	114½	112
Dom. Rubber, pref.	7	8.75	..	...	...	...	...	*87½	80
East. Theat., c. (par $25)	.	...	28½	27½	27½	29	300	30	24
Do. pref.	7	7.36	..	...	...	...	...	95	94
Famous Players, com.	.	...	29	28	29	26	29	29	20
Do. pref.	8	8.16	98½	97½	98	98	168	101	93¾
Gilman, com.	6	4.91	..	...	...	...	...	*127⅛	104½
Do. pref.	7	5.60	125	125	125	130	5	125	125
Goodyear Tire, pref.	7+3½	7.00	100⅛	98	100	98	47	100⅛	94½
Holt, Renfrew, com.	.	...	..	...	...	...	...	43	43
Do. pref.	7	7.77	90	90	90	90	10	90	85
King Edward Hotel	.	...	..	...	...	...	...	29¼	20
Lyall Construction	.	...	45⅝	39	45	38	930	45⅝	35¾
Loew's, com.	.	...	..	...	...	...	...	40	38
Do. pref.	7	7.10	..	...	...	...	...	102	96½
Nat. Brew., c. (par $25)	4	5.59	71⅝	68½	70	69	9341	71⅝	65
Do. pref.	7	6.42	109	109	109	109	50	110	105
National Brick, com.	.	...	8	8	8	8	193	10	8
Do. pref.	7	8.80	81	74	79½	71	950	81	65
Pacific Burt, com.	6	6.81	88	88	88	88	45	89	88
Do. pref.	7	6.60	106½	106	106	106½	10	108	106
Port Hope Sanitary, com.	3	2.40	..	...	...	...	...	130	125
Do. pref.	7	6.66	105	105	105	105	3	105	90
Rogers, Wm., com.	.	...	68	68	68	68	10	70	64
Do. pref.	7	7.38	..	...	...	...	...	98	92
Seagram	.	...	25	22¼	24¾	22⅝	40145	25	15
Sher-Williams, com.	6	3.94	152	149	152	148	418	152	142
Do. pref.	7	5.88	119	119	119	119	15	120½	118
Sterling Coal	4	11.11	36	36	36	36	10	36	36
Tooke Bros., com.	.	...	..	...	...	...	...	*8	8
Do. pref.	.	...	85	85	85	89	29	89	82
Tuckett Tobacco, com.	4	5.55	72	72	72	72	5	72	69
Do. pref.	7	6.66	..	...	...	...	...	105	104
Woods Mfg. com.	.	....	45	45	45	45	799	45	45
Do. pref.	7	8.18	87½	84¼	84½	88½	230	89	85
Trust and Loan—									
Can. Landed (par $50)	10+1	5.55	99	98½	98½	99	16	99½	94
Can. Permanent	12	5.45	220	220	220	220	27	221	216½
Colonial Invest.	6	...	6¾	6⅝	6⅝	6½	108	7	6½
Huron & Erie	7+½	5.39	..	...	...	...	...	139	139
Landed Banking	9	5.59	..	...	...	...	...	161	161
Montreal Loan (par $50)	12+1	6.50	..	...	...	...	...	*50⅛	50
National Trust	12	5.00	240	240	240	232	15	255	232
Do., Rights	.	...	..	...	...	...	...	25	20
Ontario Loan (par $50)	11	4.70	..	...	...	...	...	117	111
Real Estate Loan	7	7.00	..	...	...	...	...	100	100
Toronto Gen. Trusts	12	5.26	228	228	228	225	3	228	220
Toronto Mtge. (par $50)	10+1	5.44	..	...	...	...	...	101	100
Union Trust	7	6.73	..	...	...	...	...	104	104

CURB AND UNLISTED MARKETS

	Div. Rate	Yield Feb. 14	High for wk.	Low for wk.	Close Feb. 15	Close Feb. 8	Sales for wk.	Range, 1927 High	Range, 1927 Low
Alberta Pac.	.	...	25¾	25	25¾	...	209	25¼	25
Do. pref.	7	8.00	87½	87½	87½	...	1	87½	87½
Anticosti, pref.	7	7.08	..	...	...	...	...	98¾	98¾
Attendu Engine (par $1)	.	...	19¼	15	19¼	16	1693	35½	15
Asbestos Warrants	.	...	..	...	...	...	...	34¾	34¼
Beacon Oil	.	...	18½	18	18¼	18½	1225	20¾	18
Belding, com.	6	7.31	82	82	82	83	15	88	82
Do. pref.	7	6.86	..	...	...	...	...	...	...
Brit. Am. Oil (par $25)	10+50	2.71	..	...	...	...	...	98	80½
Do. new	.	...	24¼	23	24½	23	24941	24½	20
Brew. & Distil. (par $5)	.	....	5	4⅝	5	4⅝	110	5½	4½
Can. Brewing	.	...	30	28¾	29½	30	755	30½	28¾
Can. Nor. Pr., c. (no par)	.	...	51	51	51	50	15	52	42
Do. pref.	7	7.07	99	99	99	99½	50	99½	98½
Cockshutt, pref.	4	5.26	77	74	76	73	1010	77	72
Continental Oil	$1	4.54	22	22	22	21	100	22¼	20
Cosgrave Brew. (par $10)	5	6.66	7¾	7½	7¾	7¾	968	8	7
Cooksville Shale Brick, c.	.	...	..	...	...	...	...	10¾	10¾
Do. pref.	1	...	..	...	...	...	...	50½	50½
Com. Alcohol	.	...	50	50	50	49½	25	50	49½
Dom. Engineering	$3	2.00	155	150	154	155	86	155	135
Dryden Power (no par)	.	...	13½	13	13	13	130	15½	11½
Can. Light & Pr.	.	...	21	20¾	20¾	21⅝	50	23	20¾
East. Dairies (no par)	.	...	22¾	22	22	21½	175	22¾	20½
Do. pref.	7	...	96½	96½	96½	...	10	96½	96½
Eng. Elec., com. (no par)	.	...	16	16	16	16	4	16	15
Do. pref.	.	...	75	75	75	75	6	75	72½
Good. & Worts (no par)	$1	2.09	48	45	47⅞	46½	3920	48⅞	43
Hiram Walker	.	...	39¾	36½	39⅜	37½	12289	40	28½
Illinois Power, pref.	7	7.05	99¼	99¼	99¼	99	20	99¾	98
Imperial Oil	$1+12½	2.50	46	41¾	46	41⅝	33741	46	37¾
Imp. Tobacco, c. (no par)	6	...	7	6⅞	6⅞	6⅞	1595	7⅛	6⅞
Inter. Petroleum	75c	2.14	35	32½	35	32¼	10950	35	32
Manitoba Power (no par)	.	...	57	56	57	56	214	58½	50
McColl, com. (no par)	80c	3.20	25½	23	25	23	770	25½	22½
Do. pref.	7	6.84	102½	102½	102½	102	10	103	100
Mount Royal, pref.	.	...	54	54	54	55	7	55½	54
North Star Oil, com.	.	...	..	...	...	...	...	115	115
Do. pref.	7	...	..	...	...	...	...	500	490
N.S. Car, com.	.	...	23½	23	23½	25	110	25	18¼
Ott. Mtl. Pr. c. (no par)	.	...	20	20	20	20	85	20	19
Do. pref. (pa $50)	7	7.17	..	...	...	...	...	48⅝	48½
Ottawa Riv. Pr. (no par)	.	...	25	25	25	26	100	26	25
Paton Mfg. com. (no par)	.	...	..	...	...	...	...	56	55
Do. pref.	.	...	..	...	...	...	...	100	99
Power Corp. com. (no par)	.	...	28½	28½	28½	28½	255	29¾	28
Do. pref.	6	6.18	97	97	97	97	25	97	94
Port Alfred, pref.	7	7.29	..	...	...	...	...	96	96
Que. South. Pr. (no par)	.	...	..	...	...	...	...	28½	25
St. Maur. Power	.	...	98	96	98	96	16	98	96
St. Maur. Valley, com.	.	...	53	52½	52½	52½	85	56½	50
Do. pref.	7	7.21	97	97	97	96	220	97	95
Simpson, Robt., pref.	6	5.97	..	...	...	...	...	100½	100½
Sovereign Secs. (par $5)	.	...	..	...	...	...	...	200	200
St. Law. Pap., c. (no par)	.	...	45	44	44½	46	266	54	44
Do. pref.	8	7.40	105	105	105	108	25	108	105
Toronto Dairy	.	...	..	...	...	...	...	90½	90½
Toronto R.S.	.	...	..	...	...	...	...	150	150
United Secs., com.	.	...	..	...	...	...	...	51	50
Do. pref.	6	5.71	105	105	105	105	62	105	104
Volcanic Oil	63c	...	37	37	37	38	14	39	37
Venezuelan Pete. (par $5)	.	...	7⅝	7¼	7¼	7⅛	60	7½	6¾

* Quotations for 1926. No sales recorded in 1927 to date.

UNLISTED SECURITIES

	Bid	Asked
Brooks Motor, 1 pref. & com.	..	7
Do., 1 pref. & 2 com.	..	9
Can. Machinery, com.	5	6½
Can. Westinghouse, com.	184	190
Chase, A. W., com.	8	..
Do., pref.	..	80
Dunlop Tire, pref.	90	93
Fanny Farmer, com.	25	27
Farmers Dairy, com.	62	..
Goodyear Tire, 6% pref.	95	..
Gunns, Ltd., pref. (new)	100	103
King Edward Hotel, Deb. A.	69	72
King Edward Hotel, Deb. B.	61	63
Loew's Buffalo, pref.	47	54
Mount Royal Hotel, com.	5½	6½
Nat. Grocers, 1st pref.	95½	98
Nat. Grocers, com.	2	6
Continental Life, 20% paid	42	47
Crown Life	128	..
Empire Life	24½	29
Excelsior Life, 29% paid	66	..
Great West Life	445	455
Monarch Life, 10% paid	31½	35
Mortgage Discount, pref.	6	6¾
Ontario Equitable	24	27
Re-Insurance	24	27
Security Life, 40% paid	26	31
Sun Life, 75% paid	675	..
Toronto Finance, pref.	3	4
Willard's, pref.	67	71
Canada Life	750	825
Capital Life, 20% paid	20	22
Farmers Dairy, pref.	100	104

BUFFALO QUOTATIONS

Bonds	Bid	Asked
Bfo-Ft Erie Bdge 7s '55	107¾	108¾
Do 8s '45	107	108½
Buff Gen Elec 1st 5s '39	103¾	104¾
Do pref 5s '39	103½	104½
Bfo N E Pow 5s '30	99¾	100¾
Lockport L H & P 5½, '54	102½	104½
Niag Lock & Ont 1st '55	100	101
Do 1st & con 6s 1950	105½	106½
STOCKS		
Niagara Falls Pow pf.	27¾	28½
Niag Lock & Ont pf.	113	114
Ontario Biscuit	53	56

HIGH GRADE BONDS

GOVERNMENT MUNICIPAL
PUBLIC UTILITIES
INDUSTRIAL SECURITIES

To yield from 5% to 7.50%

Inquiries invited

VERSAILLES, VIDRICAIRE, BOULAIS LIMITEE

JOSEPH VERSAILLES, *President*
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VERSAILLES BUILDING
90 ST. JAMES ST.
MONTREAL

GOVERNMENT RAILWAY BONDS

Yielding 5.35%

GRAND TRUNK PACIFIC RAILWAY COMPANY

Lake Superior Division

4% First Mortgage Gold Bonds

Dated March 15th, 1905 — Due April 1st, 1955

Security:—

(1) A first mortgage upon a railway which carries annually a quarter of the total wheat crop of the Western Provinces and which is an indispensable link in the transportation system of Canada connecting the West with the Great Lakes at Fort William.

(2) A 999-year lease to the Dominion of Canada authorized by Act of Parliament at a rental sufficient to pay the interest on the bonds twice over.

(3) The unconditional guarantee given originally by the Grand Trunk Railway and assumed, under section 152 of the Dominion Railway Act, by the Canadian National Railway Company, which is owned by the Dominion of Canada.

Price 80.37 and accrued interest. Yielding over 5.35%.

Ask for Circular C-N

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714 Insurance Exchange Building, Montreal, P.Q.
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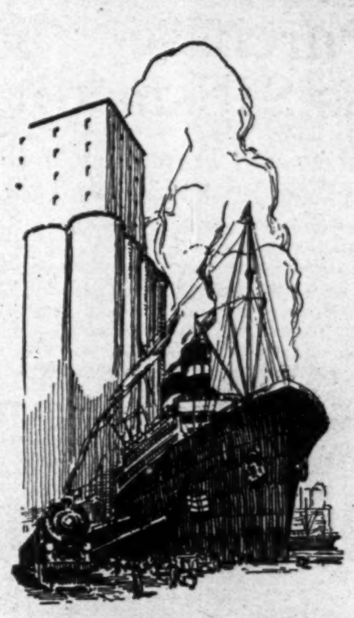
New Business Contacts



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In order to assist business houses to an accurate estimate of new connections, confidential credit information is furnished through special departments conducted at the Bank's Head Office, Montreal, and the New York and London offices.

You will find our Monthly Business Review helpful. We shall be glad to place your name on our mailing list.

G620

The Royal Bank of Canada

RGH

WE HAVE prepared a list of securities that we consider will advance in price during this year, and we shall be pleased to forward a copy on request.

A coupon is attached for your convenience.

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ADDRESS ....

Fifty-fifth Annual Financial Report Evidences the Marked Stability of the

ECONOMICAL MUTUAL FIRE INSURANCE CO.

Balance brought over from 1925 $1,194,264.64

RECEIPTS

Premiums, Cash System	$ 227,387.25		
Premiums, Mutual System	86,089.36		
Premiums, Additional	2,267.07		
		$ 315,743.68	
Interest and Rent		62,801.31	
Reinsurance Claims		20,536.07	
Profit on Sale of Bonds		4,772.96	
			$ 403,854.02
			$ 1,598,118.66

EXPENDITURES

Losses	$ 147,227.54		
Commissions	51,534.92		
Reinsurance Premiums	40 886.31		
Rebates and Returned Prem.	20,971.58		
Mun., Prov. & Federal Taxes	10,878.85		
Expenses of Management	60,268.16		
		$ 331,767.36	
Balance		1,266,351.30	
			$ 1,598,118.66

ASSETS

Debentures	$ 702,254.10		
Mortgages	458,765.75		
Real Estate	60,000.00		
Agents' Balances	16,172.15		
Bank, Current	16,372.85		
Bank, Savings	7,070.30		
Cash at Head Office	5,716.15		
		$1,266,351.30	
Accrued Interest		20,416.34	
Net Premium Notes		252,028.83	
			$ 1,538,796.47

LIABILITIES

Unadjusted Losses	$ 4,614.58		
Less due for Reinsurance	17.10		
		$ 4,597.48	
Reinsurance Reserve		157,941.24	
Balance over all Liabilities		1,376,257.75	
			$ 1,538,796.47

Total Insurance carried under 26,176 policies $45.161,620.00
Government deposit $100,000.00

Balance over all Liabilities
$1,376,257.75

GEORGE C. H. LANG, President — W. H. SCHMALZ, Manager

HEAD OFFICE:
KITCHENER ONTARIO

Saskatchewan General Trusts Corporation

HEAD OFFICE: REGINA, SASK.
Subscribed Capital - - $1,000,000.00.

EXECUTOR ADMINISTRATOR ASSIGNEE TRUSTEE

Special attention given Mortgage Investments, Collections, Management of Properties for Absentees and all other agency business.

BOARD OF DIRECTORS:

W. H. DUNCAN, President. G. H. BARR, K.C., Vice-President.
William Wilson — Chas. Willoughby — W. T. Mollard
E. E. Murphy — David Low, M.D. — J. A. McBride
J. W. Brown — P. S. Stewart — J. A. M. Patrick, K.C.
E. E. MURPHY, General Manager.

Official Administrator for the Judicial Districts of Weyburn, Arcola and Estevan.

Pulp & Paper

Abitibi's Big Purchase Regarded as Satisfactory

Purchase of Mattagami Property and Formation of New Wholly Owned Subsidiary Should Work Out Well For Parent Company—Situation Reviewed

From Our Own Correspondent.

MONTREAL. — The shares of the Abitibi Power and Paper Company are selling out of line with the common shares of other newsprint producers. Perhaps, it would be more correct to say that some of the other companies' shares are selling out of line with Abitibi, for the fact that the stock has quietly declined since the close of 1926 is entirely due to the hesitancy in the market for newsprint paper.

Should the present uncertainty in the newsprint market prevail, for any length of time, it is possible that Abitibi's stock might sell at a lower level, despite the fact that at its present price, it appears to be a very decidedly attractive purchase for a long hold.

Despite the fact that the company's output has been sold, it is but natural that Abitibi's shares, like those of some of the other newsprint producers, would weaken in view of the uncertainties which at present surround the market for newsprint. While it is impossible to say whether the immediate future trend of the stock will be up or down, with the record of the company, the record of its management and its large earnings, it is decidedly more than a safe speculation to say that its ultimate course must be upward. Naturally even the most expert market trade cannot pick the high or the low level of any stock.

Probably Abitibi common will remain much at its present level until a little more light shines through the fog of the present surplus of newsprint production being experienced on this continent.

Position Very Strong

The satisfactory position of Abitibi is so well known as to require no reiteration; in 1925 the company earned $11.19 per share on its common stock and in the preceding five years averaged over $10 per share. Dividend payments are at the rate of $5 per share which at present prices yields the investor 6 per cent.

It is anticipated that the figures for 1926 will be about much the same level as the preceding year. Moreover, the company presents a strong balance sheet which has revealed over many years a satisfactory working capital position.

The fact that Abitibi occupies such a strong position, lends the more interest to its recent acquisition of the Mattagami Pulp and Paper Company, which is now known as the Abitibi Fibre Company. The subsidiary is capitalized at $4,000,000 in bonds, $4,000,000 in 7 per cent cumulative preferred stock and 100,000 shares of common stock of no par value. The parent company holds all the common and all the preferred stock in its new wholly owned subsidiary.

Bought for $7,200,000

The assets of the Mattagami Company were sold at a judicial sale for $7,255,000 and therefore it is reasonable to presume that Abitibi purchased the property from I. W. Killam, the bidder at the sale, for a similar amount. Thus, Abitibi purchased a property, valued at $9,806,198 by chartered accountants of some standing, for only $7,200,000. This in itself makes the deal satisfactory.

It is true, of course, that the history of the property before Abitibi acquired it was anything but satisfactory. The original company passed into the hands of the receiver when it failed to meet its bond interest, but it is to be remembered that it is an efficient and up-to-date plant and that the reason for the receivership lay in the extraordinarily poor market for sulphite pulp which prevailed four or five years ago and which threw many other sulphite mills in Canada into the hands of the receiver also. Thus, the old company was anything but lonely in its receivership.

But the tide has turned for the sulphite companies and to-day there prevails a satisfactory market for sulphite pulp and a market which all experts believe will be maintained, if not bettered.

Others Are Satisfied

The conditions at present surrounding the sulphite pulp industry may be judged by the satisfactory results which the International Paper Company is obtaining at its Kipawa plant which produces 250 tons of bleached sulphite pulp daily.

But not only has Abitibi obtained a new plant at a very satisfactory price, but it has also obtained a property which should bring it in substantial earnings each year. The parent company financed the deal first, by the issue of $4,000,000 mortgage bonds of the subsidiary and second, it is anticipated that the parent company will issue $4,000,000 of 6 per cent. gold coupon notes with which it will take up the 7 per cent. cumulative preferred stock of its wholly-owned subsidiary.

It is worth while to study the earnings of the subsidiary. The net, after all charges available for interest, depreciation and taxes, in 1925 amounted to $534,611. During 1926, the company added bleaching equipment to the plant which increased these earnings to the figure of $700,734. From these it should be possible to make a good guess at net earnings for the current year.

Earnings Should Increase

There are several factors which combine to indicate that the company will experience just as satisfactory an increase in earnings during the current year as it did in 1926. These include: the fact that the company's bleaching equipment in 1926 was only in operation during a portion of the year. It will be in operation throughout the whole of 1927. Abitibi has established many production records in its newsprint mill and it seems a very safe assumption that it will establish similar records in the mill of Abitibi Fibre. The rated capacity of the plant is from 50,000 to 60,000 tons of high grade sulphite per annum, half of which is bleached. It will be a conservative estimate to say that the management will make its machines produce at least 60,000 tons this year. Coupled with this is the general belief that the sulphite pulp market during 1927 will be at least as satisfactory as in 1926. Thus, it is safe to make a guess that earnings during the current year will show as great an increase as they did in 1926. This makes an estimate of net revenue of some $866,000.

Estimated Earnings

Presuming this to be correct, the Abitibi Fibre at the close of its first fiscal year should turn out a profit and loss account somewhat along these lines:

Estimated rev. after oper. ex.	$866,000
Depletion. Depr. and taxes	200,000
Bond interest	240,000
†Sinking fund	90,000
xPreferred Dividends	280,000
Surplus earnings	$ 56,000

†Starts November, 1928.
xTo parent company which will more than take care of interest on Abitibi's new issue to purchase Mattagami property.

The foregoing figures are conservative. $200,000 for depreciation and depletion is in excess of what other companies allow. Bond interest and sinking fund charges are shown at a maximum and the preferred dividends which go to the parent company will allow it to have some surplus after meeting the interest charges on the financing required to purchase the preferred stock. Moreover, the sinking fund charges do not begin until 1928.

Are Ultra-Conservative Figures

These ultra-conservative figures show then anticipated earnings of at least $56,000 a year from the subsidiary applicable to the common shares which, of course, are owned by the Abitibi Power and Paper Company. This amounts to 56 cents a share of the 100,000 common shares outstanding. But earnings applicable to the common stock of the subsidiary must naturally include the deductions made to retire the bond issue, for the more money paid into the sinking fund, the better the position of the common shareholders, in this case the parent company.

The sinking fund payment of $90,000 plus the surplus of $56,000 applicable to the common stock makes a total of $146,000 or indicated earnings on the common stock of the Abitibi Fibre Company of $1.56 per share of stock.

But the acquisition of the new subsidiary will benefit the parent company in many other ways. The timber limits of both occupy adjacent territories and savings should and will accrue in woods operations. The subsidiary has a rated capacity of 200 tons of sulphite pulp daily, whilst the parent company produces some 550 tons of newsprint daily.

Output Is Diversified

The acquisition means that Abitibi now has a diversification in its output. Later on in the year, should there be a further slowing up in the newsprint demand, the company, not having all its eggs in one basket, should have a more stabilized earning power. Then again, it is ultimately intended, to add a newsprint mill to the Abitibi Fibre's plant. This would work out more economically than erecting a newsprint mill on a new site. First of all, because the necessary sulphite capacity is there and secondly, wood-handling and log-driving equipment is ready to take care of the increased demand for pulpwood. Incidentally, the parent company's Island Falls power plant generates sufficient power to take care of any expansion on the part of its subsidiary. Electric power is now being used for steam purposes in the mills of the parent organization. The subsidiary company will not, however, go ahead with its newsprint development until economic conditions warrant such an expansion.

Is Predominant Company

The Abitibi Power and Paper Company is one of the larger factors in the paper industry in the Dominion. The company originally leased from the province of Ontario, on favorable terms, 1,000,000 acres of pulpwood lands. This has been subsequently increased to more than 3,500,000 acres of land situated along the upper and lower Abitibi Lakes and along the Abitibi river and its tributaries. The geographical condition of of the country in which it operates is ideal for a lumber or paper company. There are numerous bodies of water and streams of sufficient size to insure logging operations. This is one of the main factors in the company's low manufacturing costs.

The company is also fortunate in regard to water power. Total water power plants on properties now in operation develop 115,000 horsepower and additional power can be developed when required. Through increase in number of water power sites, developed horsepower has increased about 64,000 horsepower in the past two years. Part of this electric current is used for its own plants, but a portion is sold elsewhere.

Interested in Others

The mills in which Abitibi has an interest include the Ste. Anne Paper Company and the Manitoba Power Company.

The Spanish River Paper Co. is also controlled by interests associated with Abitibi and there have been numerous rumors that these two companies would be merged. It might be to the mutual advantage of the two to merge, as they operate in adjacent territories. However, there are several mechanical difficulties which make such a union impossible at present. One of the chief difficulties is the fact that Abitibi has some non-callable bonds outstanding. Another is that Spanish River has some bonds outstanding which participate in profits of the company along with the common stock. Of course, a holding corporation might be formed.

Excellent Earning Power

The company has always enjoyed good earning power. Earnings in 1925 were $3,701,337, equal to five times bond interest. Funded debt totals $9,633,600 and consists of $2,646,000 first mortgage 6 per cent. serial bonds, 1927 to 1934, $3,647,000 general mortgage bonds due 1940 and $3,340,000 consolidated 8's, due 1931. This is followed by 10,000 shares of 7 per cent. cumulative preferred stock and 250,000 shares of common. Earnings in 1925 were $11.20 a common share and have averaged over $10 per share in past five-year period. Earnings in 1926 will compare favorably with those in 1925.

With the company in such a prosperous condition it would seem logical to retire the 8 per cent. bonds. However, these bonds are non-callable; the bankers are bidding 107. Their maturity date in 1931 is only four years away when the company will be able to rearrange its financial structure. The general mortgage 6's of 1940 are quoted around 104½ and the serial 6's are quoted from 100 to 102 according to maturity. All of these issues including the preferred stock are traded in over the counter while the common is listed on the exchange.

Print on Manitoba Newsprint

Recent opening of Manitoba Paper Company's plant was celebrated by Manitoba Free Press, which printed the first newspaper to be turned out on made-in-Manitoba newsprint.

Manitoba Paper Co. Finally Obtains Limits

From Our Own Correspondent.

MONTREAL. — The Manitoba Paper Company is to obtain the additional timber limits for which it made application to the federal government. Under an order-in-council, the company is given the right to select 4,000,000 cords in additional pulpwood limits on the east of Lake Winnipeg. Under its preceding contract with the government, the company acquired 2,000,000 cords, so that its holdings now contain 6,000,000 cords of pulpwood. This will enable the Manitoba Paper to increase its capacity to 200 tons daily by the addition of its second newsprint machine, and will provide for an ultimate capacity of 300 tons daily.

The whole matter of the acquisition of further limits by the company was the subject of many negotiations and brought about many discussions between the company, the Backus-Brooks interests, the federal government, the provincial government, the city of Winnipeg, and such bodies as the Winnipeg board of trade and the provincial industrial development board.

A Clash of Interests

The reason behind the clash of the various interests lay in the fact that the Backus-Brooks interests declared their willingness to erect a paper mill just outside Winnipeg at a cost of over $10,000,000, provided that they, too, obtained limits. It was said that, as far as present surveys indicate, there were not sufficient limits near enough to provide a source of raw material for both companies. Apparently business interests in the city of Winnipeg felt that the already-completed Manitoba Paper Company should be safeguarded, and many were the discussions, both pro and con. Apparently the whole matter has now been decided by the order-in-council which granted further limits to the present producer.

Brompton Withdraws from Export Paper Co.

From Our Own Correspondent.

MONTREAL. — The Brompton Pulp and Paper Company has withdrawn from the Canadian Export Paper Company and is to establish its own selling agency. In the past the Canadian Export Paper sold the entire output of Brompton; for the future it will confine its activities to the sale of Laurentide's and Price Brothers' output. Laurentide and Price Brothers together market more than 1,100 tons of newsprint daily through their selling agency.

Automobile and Piano Paper
MANUFACTURERS FINANCE CORPORATION LIMITED
TORONTO, Federal Building
AUTHORIZED CAPITAL - $6,500,000

Investment Securities
Newman, Sweezey & Co.
LIMITED
136 St. James Street Montreal

Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
HEAD OFFICE: 2 Seigneurs Street MONTREAL

PORT ALFRED PULP & PAPER CORPORATION
Newsprint and Sulphite Pulp
HEAD OFFICE:
CANADA CEMENT COMPANY BUILDING
MONTREAL, P.Q.
Mills at PORT ALFRED, P.Q.

Clothes and Paper
John Hetherington Smith's Tuxedo is the best suit of clothes he owns—but he doesn't wear it to church. Nor did he wear his furnace clothes to the New Year's party. There's a time and place for everything.
—even PAPER.
No Bond Paper is too good for your letterheads—Superfine Linen Record, for instance. It adds a background of prestige and sound judgment to your typewritten message. But for inter-office memo and departmental purposes, a lower quality paper is plenty good enough.
Rolland Papers fill the various needs of any office. Each sheet is made to suit a purpose—to suit it to the letter. Nearly half a century's experience making high grade papers is behind it. And the "R Shield" Watermark is our guarantee of paper perfection. Look for it on any of the following well-known papers:
Superfine Linen Record
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THE ROLLAND PAPER COMPANY LIMITED
High Grade Paper Makers since 1882
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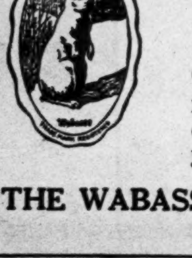
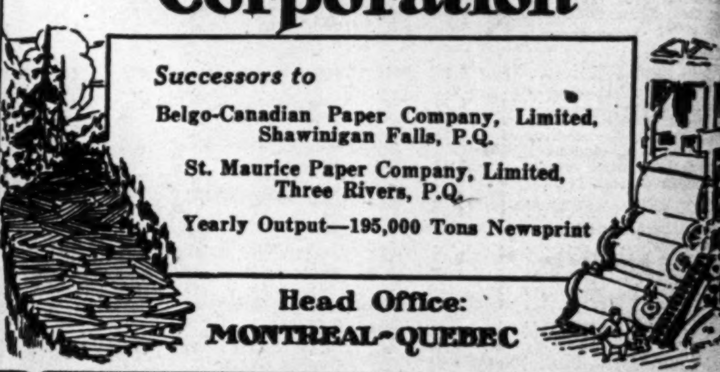
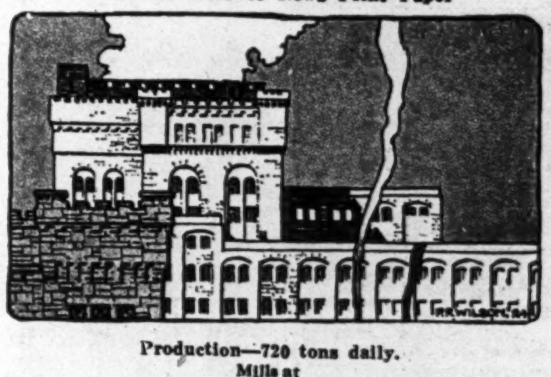
Wabasso Cottons
are Canada's best
THESE famous cottons stand up better to strenuous wear and frequent washings. And they retain their fineness of texture, their lasting beauty of appearance much longer.
The new WACOSILKE is an attractive fabric made from finest WABASSO combed yarns and Celanese Brand yarns. It is as pretty as the rainbow.

THE WABASSO COTTON COMPANY LIMITED
Three Rivers, Que.

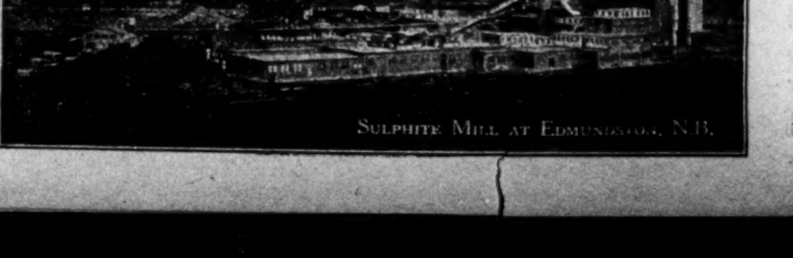
Abitibi Power & Paper Company
Limited
NEWSPRINT
Head Office: Montreal Mills: Iroquois Falls, Ont.

Annual Capacity: 150,000 Tons of Groundwood Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.
Quebec Pulp and Paper Mills
Limited
Executive Office: CHICOUTIMI, P.Q.
Cable Address: "SAGUENAY, CHICOUTIMI"

The Laurentide Company
Limited
Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper
GRAND'MERE - QUEBEC

St. Maurice Valley Corporation


The Spanish River Pulp and Paper Mills Ltd.
SAULT STE. MARIE, CANADA
Manufacturers of News Print Paper

Production—720 tons daily.
Mills at
Sault Ste. Marie, Espanola, and Sturgeon Falls, Ont.

FRASER COMPANIES LIMITED
EDMUNDSTON, N.B.
Lumber :: Bleached Sulphite Pulp :: Fine Papers

Sulphite Mill at Edmundston, N.B.

Pulp & Paper

(Continued from page 6).

EARNINGS SHOW GOOD INCREASE IN FRASER COS.

Earned $4.53 on Common Stock as Against $2.78 in 1925

From Our Own Correspondent.

MONTREAL. — The consolidated annual report of the Fraser Companies and the U.S. subsidiary for the year 1926, revealed a decided improvement in earnings. The vear was the best that the company has experienced since 1920.

The following figures compare the profit and loss account during the past two years:

	1926	1925
*Earnings	$ 1,561,825	$ 1,133,071
Depreciation	291,698	224,167
Depletion	147,728	146,654
Bond Int.	363,000	223,309
Other Int.	148,987	150,512
	$ 610,410	$ 388,529
Pref. Div.	157,350	109,868
	$ 453,062	$ 278,661
Common Div.	200,000	......
Balance	253,062	278,661
Prev. surp.	1,182,409	1,268,278
	$ 1,435,471	$ 1,546,939
†Prem. and Dis.	......	241,530
	$ 1,435,471	$ 1,305,409
Sec. Discount	84,500	123,000
P. & L. Surp.	$ 1,350,971	$ 1,182,409
Earned on common	$4.53	$2.78

*After operating expenses, federal and general taxes, and provision for bad and doubtful debts.

†On bonds redeemed.

Write-offs Greater

The foregoing figures show that, after larger write-offs for depreciation and depletion, the bond interest was earned more than three times over, and that earnings were equivalent to 3.8 times the amount distributed on the preferred shares.

The balance sheet for 1926 showed a cash account of $279,265, as compared with $511,838 at the close of 1925. Other changes in the current assets and current liabilities are revealed in the following liquid position on figures in which the current assets do not include investments, advances, and a mortgage which the company holds:

	1926	1925
Curr. Assets	$7,443,733	$6,417,550
Curr. Liabs.	3,819,223	2,462,400
Net Work. Cap.	$3,624,510	$3,955,150

Other changes in the assets include an increase of $107,000 in the investments' account and a decline of $84,500 in discount on securities account.

Changes amongst the liabilities include an increase in bank loans, which resulted in the increase seen in the current liabilities in the foregoing working capital figures. Other changes in the liabilities were not of a significant character, with the exception of the increase in reserves and profit and loss accounts set forth in the foregoing income figures.

During 1926 the Fraser Companies issued an additional $375,000 of 7 per cent. preferred shares, the proceeds of which were utilized by the subsidiary company. The report also indicates an expenditure on additions to plant and property account during the year of $702,075. The bulk of these expenditures were made on additions to the equipment of the company's U. S. paper mill, and on the conversion of one of the drying machines of the Edmundston bleached sulphite pulp mill to manufacture sulphite paper and board.

President's Remarks

In his report to the shareholders, Archibald Fraser, the president, said in part as follows:

"Reasonably satisfactory sulphite pulp and fine sulphite paper markets prevailed during the year, which enabled both pulp and paper mills to operate practically at capacity. In spite of unfavorable market conditions in the lumber business, the lumber department has been operated at a profit. Your management is making a determined effort to improve the quality of pulp and paper production, and has made substantial progress in this regard. Due to improving quality, and given a continuance of present or better conditions, it is expected that pulp and paper profits for the coming year should be even more satisfactory than those in the past.

"The policy of maintaining adequate reserves against depreciation of fixed assets and depletion of timber areas has been adhered to, there having been written off out of profits, as at the date of the appended balance sheet, reserves under these headings amounting to $4,200,194.54."

Gatineau Power Company Buys Two Small Plants

From Our Own Correspondent.

MONTREAL.—The Gatineau Power Company, a subsidiary of Canadian International Paper Company, has acquired two new electric power plants in the Ottawa district at a cost of $350,000, and with existing power capacity of 600 and 1,000 horsepowers.

The Bonhomme electric power plant on the Blanche River, with a present capacity of 600 horsepower, was purchased for $100,000. The Papineauville Electric Company plant at Papineauville, on the Ottawa River, with a capacity of 1,000 horsepower, was purchased for $250,000.

By the purchase of these two plants, the Gatineau Power Company has acquired important water rights on the Blanche, Ottawa and Nation Rivers.

Lake St. John Well Situated

MONTREAL.—The new Lake St. John Power and Paper Company appears to be favorably situated to produce on a low cost basis, for R. O. Sweezey, the able forest consulting engineer of Montreal, in his report on the property says that it has the cheapest logging costs in Eastern Canada, and these low costs can be maintained indefinitely.

Referring to the timber limits, J. C. Cote, the well-known timber cruiser, says that the limits of the company are one of the most important and probably the last proposition of their kind in Canada.

THE ROYAL TRUST Co
EXECUTORS AND TRUSTEES

J. E. Aldred Fears Wood Shortage

From Our Own Correspondent.

MONTREAL. — In supplementing his written remarks to the shareholders of Shawinigan Water and Power Company, the president, J. E. Aldred, issued a warning when he stated "that unless wood supply is conserved some day we shall have the mills, but not the wood. We can build paper machines, but we can not build trees."

Mr. Aldred's remarks referred to the necessity of building up a public sentiment such as would demand the inauguration of a better forest policy.

Ontario Will Protect Mills

Apparently the province of Ontario is to take the same steps to protect its already-established pulp and paper companies as the province of Quebec. While the provincial government has made no definite announcement, the province is not putting up any pulpwood areas for lease, despite the fact that U.S and British interests are constantly making application for limits.

While the provincial government proposes to set aside certain areas as forest reserves, it also will introduce a bill during the present session to reforest some sections of the province. These include the counties of Parry Sound, Muskoka, Ontario, Haldimand, Peterboro and Hastings, and others in the same region.

The land in this area has been denuded of trees, and has become practically useless, but it would become a suitable forest area if care is taken in planting trees.

The proposal, when finally put in operation will include the removal of a number of settlers from this area to other sections of the province.

Dominion Engineering Obtains New Contract

From Our Own Correspondent.

MONTREAL. — The Lake St. John Power and Paper Company has placed the order for its two newsprint machines with the Dominion Engineering Works. Due to the expansion in the pulp and paper and the hydro-electric fields, this subsidiary of the Dominion Bridge Company has been very busy over the past year, and it is understood that its activities at the present time continue to keep its plant in full operation. The outlook for the current year is of the best.

DESCRIBES KIPAWA

International Paper Uses Dividend Cheques to Tell About Mill

MONTREAL.—Accompanying the February 15 dividend cheques being forwarded to the shareholders of the International Paper Company is a notice dealing with the activities of the company's Kipawa mill, which says:

"The Kipawa mill is located on the Ottawa River at Temiskaming, Quebec, two hundred and thirty miles above the city of Ottawa, and has a daily capacity of 250 tons of the highest grade bleached sulphite pulp. A large part of its output is shipped throughout the world for the manufacture of rayon.

"Sulphite pulp for rayon manufacture is the highest grade of pulp made. The greatest technical control is exercised during manufacture at Kipawa. When dried, the pulp is cut into sheets of exact size and baled in waterproof packages. The doors of the railway cars in which the pulp is shipped are sealed with waterproof paper to prevent damage during transit.

"Your company owns, tributary to the Kipawa mill, 4,000 square miles of Crown lease timberlands, all of the logs being delivered to the mill by water. The wood is practically all spruce, which is particularly suitable for high grade sulphite pulp."

REFRIGERATION BY ELECTRICITY WILL ENJOY BEST YEAR

More Units Will be Sold Than Combined Sales Since 1914

It is estimated that between 200,000 and 250,000 electric refrigerators will be installed in homes in Canada and the United States in 1926. Up to the end of 1925, only 145,000 of these devices had found their way into homes. In 1914, when the business may be said to have had its inception, there were 600 machines sold.

These figures, compiled by an American trade publication, suggest that the electrical industry is about at the stage achieved by the automobile industry in, say, 1910. It cannot be said that volume production was obtained until 1925 and unless every indication is untrustworthy, the industry in all probability will grow by leaps and bounds from now on.

First Canadian-made Kelvinator units for the export market being loaded at the London, Ont., factory.

Is Room for Expansion

At the end of 1925 there were 14,500,000 homes in the United States and 1,200,000 homes in Canada wired for electricity. These 15,700,000 homes is a prospect for salesmen of electric refrigerators. The population of both countries is growing rapidly and the number of homes wired for electricity is increasing, as current, which not so many years ago was confined to urban centers, comes into use in the rural districts.

This consideration of sales prospects in this new industry does not take into account the field for expansion in other countries.

There are many manufacturers of electric refrigerators. At this stage, it is impossible to forecast, of course, whether the industry will be narrowed down to a few leading manufacturers or if, as in the automobile industry, there will remain a large number of independent manufacturers. It will be inevitable, however, that many manufacturers, as happened in the automobile industry, will disappear in course of time, although there will be some who show a period of profits before changing conditions, or mergers, or financial conditions lead to their elimination from the field.

Kelvinator is in Canada

Following are brief reviews of two companies which have offered stock to the public in Canada:

Kelvinator of Canada is a subsidiary of Kelvinator Corp. of Detroit. The dividends on the $800,000 of preferred stock are guaranteed by the parent company. Original shareholders got a bonus of one share of common for each share of preferred.

The company has a factory at London, Ont., which is well suited to its business. The first annual report, issued recently, was for the nine months ended September 30th. The net result was a revenue of $74,461. The company has a net working capital of $584,552. The factory is now in production. Early orders filled from Detroit were credited to the Canadian company.

Kelvinator of Canada now only has the exclusive right to manufacture and market Kelvinators, Nizer cabinets, etc., in Canada, but also has exclusive rights in Great Britain, the British dominions and all foreign countries. A subsidiary company already has been established in Britain.

One of the largest orders ever received for electrical refrigerators—for 2,500 Kelvinator units for homes—will be filled by the Canadian plant in the next few months. The buyer is Councillor W. Godfrey Gratten, of Eden Park Estate, Beckenham, England, who is completing 2,500 homes to be equipped with every conceivable labor-saving device.

Is Purely Canadian

Stock also is being offered in the company which proposes to manufacture electric refrigerators of a similar type under the trade name "Ice-o-matic." The capitalization of Ice-o-matic is $300,000 of preferred stock, or $500,000 less than Kelvinator. The subscribers of the preferred also get a bonus of one share of common.

This company is establishing its factory at Windsor, Ont. Its management is composed of men of experience in manufacturing and marketing. It is claimed that the gas used is superior to the gas used in similar, competitive devices, and that the number of working parts has been decreased, with the result that manufacturing costs will be lower when the factory gets on a definite production basis.

Are You Confident Your Will is Right?

A MAN who takes these three precautions will secure real peace of mind about his will.

1. Have a lawyer draw the will.
That saves the danger of litigation made possible by technical irregularity.

2. Discuss its practical provisions with this Company.
Our wide experience in Executorship might suggest a more practical method of achieving the result in mind.

3. Name the Canada Permanent as Executor and Trustee.
That places all the experience and all the corporate judgment of this Company at the service of the family. They are assured a permanent executor, a responsible trustee, a regular income.

For the sake of your own peace of mind and your family's happiness, make sure your will is drawn and executed so as to secure the very important ends you have in view.

THE CANADA PERMANENT TRUST Co
Paid-up Capital One Million Dollars
Toronto Street Toronto.
Manager, Ontario Branch - A. E. HESSIN 25

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For immediate delivery and in large quantities.
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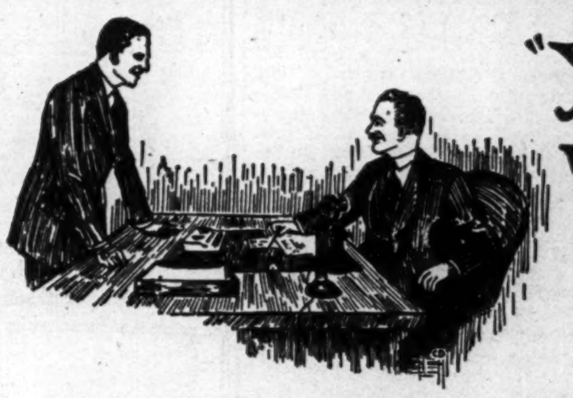
MONTREAL
Refineries - St. John, N.B.

DOMINION TEXTILE CO., LIMITED
PRUE COTTONS
MANUFACTURING
ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS
AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.
MONTREAL TORONTO WINNIPEG VANCOUVER



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Public Utilities

OTTAWA AND HULL AND SUBSIDIARY PUBLISH REPORT

Ottawa River Power Profits Satisfactory in Initial Fiscal Year

From Our Own Correspondent.

MONTREAL.—The annual reports of the Ottawa and Hull Power Company and the Ottawa River Power Company for the period ending October 31, 1926, showed fairly satisfactory results considering the fact that both companies are relatively of recent origin.

The gross revenue of the Ottawa & Hull Power, while showing a substantial increase, yet, figured on a twelve months' basis, stands very much at the 1925 level. The last report covers a fourteen months' period whereas the 1925 report covered only twelve months. The net earnings of the company, however, showed an actual, as well as an apparent, increase from the 1925 figures. The company's working capital position is stronger. The comparison of working capital and profit and loss figures over the last two fiscal periods follows:

	14 mths. 1925-26	12 mths. 1924-25
Gross revenue	$416,540	$367,610
Exp. and taxes	97,712	79,482
Balance	348,827	288,118
Bond Interest	175,000	150,000
Net profit	173,827	138,118
Pref. Divi.	122,500	105,000
Surplus	51,327	33,118
Prev. surp.	193,199	278,305
Total	244,526	311,423
*Income tax	2,459	1,738
*Depreciation	108,788	116,484
P. & L. bal.	$133,279	$193,199

*For the preceding fiscal period.

Working capital position.

	Oct. 31 1926	Aug. 31 1925
Current assets	$136,997	$108,635
Current Liabs.	63,250	50,250
Net work. cap.	$ 73,747	$ 58,385

Balance Sheet Position

From the foregoing, it will be seen that while the company's surplus in its balance sheet declined by some $60,000, yet the depreciation reserve is up some $109,000. Other changes in the balance sheet were not of a particularly significant character; the total assets have increased by about $62,000, and now stand at $4,951,083.

In his remarks to the shareholders, A. J. Nesbitt, the president, expresses satisfaction at the growth indicated in the report, calling particular attention to the improvement in financial position. The plant of the subsidiary, Ottawa River Power Company, he states, which was placed in operation some three months previous to the publication of the last report, meets all expectations. The properties and plants, he adds, have been maintained at the same high rate of efficiency as heretofore.

Ottawa River's Report

The annual report of the subsidiary company, the Ottawa River Power Company, in which the parent company owns the majority of the common stock outstanding, showed a satisfactory relation between profits and bond interest, and after all charges, including depreciation, there remained the sum of $1,699, which was transferred to the profit and loss account.

The annual report covers a ten months' period and covers the first real period of operation. The profit and loss figures follow:

Profit and Loss

	1926	1925	1924
Earnings	$ 98,860	$ 97,335	$ 92,468
Deductions—			
Interest	35,567	34,442	30,613
Expenses	2,562	3,292	6,320
Management	14,543	15,867	14,132
Taxes	4,604	5,828	5,025
xOther deduct.	1,200	1,200	1,200
	58,476	60,629	57,290
Net earnings	$ 40,384	$ 36,706	$ 35,178
Distribution—			
Dividends	35,000	35,000	35,000
Balance	$ 5,384	$ 1,706	$ 178
Prev. bal.	5,689	3,983	3,805
P. & L. bal.	$ 11,073	$ 5,689	$ 3,983

xVoted to president and vice-president.

	10 months
Gross revenue	$274,953
Operating and taxes	97,694
	$177,259
Bond interest	136,560
Depreciation	39,000
Balance to profit and loss	$ 1,699

The balance sheet of the Ottawa River Power Company shows a decided deficit of working capital. The cash account shows a substantial increase. Accounts receivable are materially higher than at the close of 1925 and the company's loans payable has increased from $75,000 to $100,000. There appears, however, for the first time in the balance sheet, the depreciation reserve of $39,000.

In reviewing the situation, A. J. Nesbitt, president of the company, states in the report, in part:

"At the time of our previous report, the company's plant had just started operations and after a year's actual work, it has been demonstrated that the power house has lived up to all expectations. The load of the new plant has increased to a considerable extent. In fact it was at times necessary to carry an overload. It has therefore been necessary to consider the installation of one or two additional units to take care of the increasing demand.

"In addition to the contracts mentioned in our previous report, your company has during the year contracted to supply power to the Ottawa-Montreal Power Co., Limited, and has also completed arrangements to supply light and power to the town of Shawville."

Mr. Nesbitt, in referring to the results of operations, adds that the net profit shown for the ten months is satisfactory.

'Peg Tramway Franchise is Renewed for Five Years

Winnipeg Electric Co. has begun a five-year extension of its street-railway franchise, the original franchise for 35 years having expired.

The city has the right under the contract to take over the system at its actual value by giving the council six months' notice. Having failed to give the company such notice, the franchise was automatically renewed for five years. The right of the city to take over the system recurs every five years from now on.

"Bridge" Expands

From Our Own Correspondent.

MONTREAL.—The Dominion Bridge Company will extend its present activities on the Pacific coast by erecting a $300,000 plant at Vancouver. The company has already purchased a site in the city and when completed the plant will employ anywhere from 50 to 100 men on its payroll.

CALGARY'S GAS COMPANY EARNS $4.18 PER SHARE

Canadian Western Shows Profit; Rates Reduced By Commission

The Canadian Western Natural Gas, Light, Heat & Power Co. in 1926 had a profit of $455,536, according to the report of the company which serves Calgary, Lethbridge and smaller places in Saskatchewan. The previous statement, as at December 31st, 1925, was for fifteen months, so that earnings cannot easily be compared. The profit for those fifteen months was $484,174.

Earnings of $455,536 are equivalent to $4.18 per share on the 80,000 shares of common of the par value of $100 outstanding, after payment of 5 per cent. on the $1,394,344 of 5 per cent. debenture shares outstanding and 6 per cent. on the 8,521 preferred shares outstanding, including shares sold to the public on the partial-payment plan and not yet fully paid for.

To Pay On Common

The company will pay a dividend of 3 per cent. on the common on March 1st if the shareholders ratify the decision of the directors made on January 7th.

Business increased in 1926, both in respect to new consumers and quantity of gas sold. The number of meters set on December 31, 1926, was 15,609 compared with 14,535 at the end of 1925. This was an increase of 1,074. In the same period the sale of gas increased from 2,594,999,000 in 1925 to 2,987,730,000 in the year just closed. Total revenue from sales of gas in 1926 was $1,220,493 and other revenue of $137,616 brought the total to $1,283,109.

From November 16th last the maximum price for gas, fixed by the Saskatchewan board of public utility commissioners, is 38 cents the 1,000 cubic feet up to a consumption of 150,000 cubic feet per month, with a breakdown in rates to 15 cents, according to monthly consumption. With surplus gas at Turner Valley, the new rates, it is stated, will enable the company again to sell gas for heating apartment blocks and for industrial purposes. It is hoped that the revenue from increased consumption will offset any decrease in revenue from domestic consumers due to the decreased rate.

Flow Nearly 100,000,000

The company has a total open-flow daily production of 98,140,000 cubic feet from Foremost, Turner Valley, Burdett and Chin Coulee. The company operates 398 miles of field pipe lines and main transmission pipe lines and 185 miles of distribution lines in Calgary, Lethbridge and smaller places.

A third customer-ownership campaign for the company's preferred stock was conducted successfully in the calendar year. There were 722 subscribers for 2,030 shares. "The object of your directors," reads President O. J. Yorath's statement to shareholders, "will be to continue, if possible, to increase the goodwill of its customers and the public by recognizing that service is the greatest asset in any public utility."

Assets Grow

Total assets of the company now stand at $14,544,438, an increase from $11,162,301 at the end of 1925. About $520,000 of this represents additional investment, and increment in property, rights, etc., including goodwill, accounts for the difference.

Canadian Western Natural Gas, Light, Heat & Power Co. is a subsidiary of International Utilities Corp., Ltd., the holding company which was organized in 1924.

Profit and Loss

	1926	x1925	1924
Sales of gas	$1,220,493	$1,590,923	$ 918,597
Other revenue	62,616	25,893	33,137
	$1,283,109	$1,616,816	$ 951,734
Gas purchased	227,409	119,215	192,753
Expenses	328,517	462,328	327,895
Written off	5,624	3,280	1,757
Interest	113,668	137,602	114,674
Depreciation	7,876	6,159	4,029
Res. for deprec.	....	382,920	298.249
Prov. for income tax	12,223	20,137	....
Amort. & dep.	132,256	....	....
	$ 827,573	$1,132,641	$ 939,357
Profits	$ 455,536	$ 484,175	$ 12,377
Com. dividends	240,000	....	....
Pref. dividends	29,262	8,561	....
	$ 269,262	$ 8,561	12,377
Surplus	$ 186,274	$ 475,614	$ 12,377
Prev. surplus	487,990	12,377	....
P. & L. surplus	$ 674,264	$ 487,990	$ 12,377

x—For 15 months.

Winnipeg Preferred Listed

MONTREAL.—Arrangements are being made to list 20,000 new shares of Winnipeg Electric preferred on the Montreal Stock Exchange. This stock the company recently offered to its customers in a customer ownership campaign conducted in the city of Winnipeg.

Signs of sound financial conditions in Victoria are seen in the large number of citizens who are this year paying the 1927 civic taxes ten months in advance.

GREAT LAKES POWER EARNS $40 ON PREF.

Sault Ste. Marie Utility Shows High Average for Eight Years

The annual report of the Great Lakes Power Co., which serves Sault Ste. Marie with hydraulic and electric power, shows net earnings available for preferred stock after payment of bond interest of $240,833, which is equivalent to $40.14 per share on the $600,000 of 7 per cent. cumulative preferred stock outstanding.

This company, which is operated by the Middle West Utilities Co., was incorporated in 1916 and shows average earnings of $38.07 on the preferred stock since 1918. The public offering of preferred was made in 1924 when there were $2,700,000 of bonds outstanding. Since then $240,000 of these bonds have been retired. A further block due on May 1st will be retired.

Gross income of the company in 1926 was $710,203. Operating expenses and fixed charges were $469,370. The total net assets of the company were $3,625,496 as at December 31, 1926, after deduction of depreciation reserves, current liabilities and outstanding bonds. This is equivalent to $604 for each share of preferred stock of the par value of $100.

Public Utility Earnings

B. C. Electric

December—	1925	1926	Incr.
Gross earn.	$1,068,380	$1,138,849	$70,469
Mainten.	752,179	791,045	38,866
Net income	$316,201	347,804	$31,603
Aggr. Gross from 1st July to 31st Dec., 1926	$5,993,563	$6,294,442	$300,879
Aggr. net from 1st July to 31st Dec., 1926	$1,738,825	$1,814,332	$75,507

Winnipeg Electric

December—	1925	1926	Increase
Gross earn.	$ 510,225	$ 568,027	$ 57,802
Expenses	312,600	360,726	48,126
Net earn.	197,625	207,301	9,676
Aggre. gross from 1st Jan. to end of Dec.	$5,338,682	$5,638,262	$ 299,580
Aggre. Net from 1st Jan. to end of Dec.	$1,829,322	$2,038,659	$ 209,337

Monterey Railway, Light

3 Months to Sept. 30, 1926—	Gross	†Expenses	Surplus
Rail Light & Pr.	$246,390	$250,402	$x4,012
Water. and Sew.	70,114	33,055	37,058
Total	$316,504	$283,457	$33,046
Aggr. earn. from 1st Jan. 1926, to 30th Sept., 1926	$905,396	$837,704	$67,692

xDeficit.

†Including provision for renewals and obsolescence.

Canadian Western Gas

	1925	1926	Change
January	$163,953	$138,443—	$25,510
February	171,679	126,850—	44,829
March	148,335	111,770—	36,565
April	91,602	106,121+	$14,519
May	61,584	52,898—	8,686
June	43,159	37,018—	6,141
July	34,097	43,725+	9,628
August	37,068	40,520+	3,452
September	60,562	70,323+	9,761
October	117,443	95,064—	22,379
November	144,214	128,039—	16,175
December	119,965	194,716+	74,751
Aggr. earn. from 1st Jan. to 31st December	$1,193,661	$1,145,487—	48,174

MACKAY DOESN'T FEAR CABLES COMPETITION

F. G. Osler, of Toronto, is Added to Board at Annual Meeting

Shareholders of the Mackay Companies need have no fear of the position of the organization being jeopardized by the progress of radio or "beam" wireless during the past few years, declared Clarence H. Mackay, president, at the annual meeting of the shareholders.

The use of the cable is still in a relatively strong position, proof of which is to be seen in the fact that notwithstanding the growth in the past five years in the transmission of messages by radio between the continents, the number of paid words transmitted by the Mackay companies has increased by about 65 per cent. in that period.

Doesn't Fear Phones

The new trans-Atlantic telephone services also came in for comment by Mr. Mackay. He said that this would have no effect on the cable business, because it is necessarily a very costly service and will not be used for the every-day dealings between the continents.

The financial position of the company at the end of 1926 was given by Mr. Mackay when he stated that consolidated current assets, the greater proportion of which are represented by readily marketable securities and cash, aggregated $24,000,000, while the current liabilities aggregate only $2,500,000.

No New Issues

During the past twenty years, it was stated, the companies issued no new securities, but all capital expenditures were provided from reserves and earnings. During the past six years over $25,000,000 was expended for capital assets, including new Atlantic cables, new pole lines and wires and additions to operating equipment. These additional expenditures have not as yet been reflected in net earnings, but they are expected to show results in 1927. As a result of the efforts of the engineers, he added, capacity of the ocean cables has been increased over 35 per cent. as compared with a few years ago.

F. G. Osler, of Toronto, was added to the directorate.

The financial statement presented showed, as usual, only sufficient income to meet dividend requirements and operating expenses, with a small balance remaining. It is the policy of the Mackay companies to take only sufficient funds from its subsidiaries which added to income and profits from its other investments, will enable it to pay dividends and expenses.

Profit and Loss

	1926	1925	1924
Income	$4,922,811	$4,801,207	$4,787,286
Expenses	296,640	184,937	173,955
Net Income	$4,626,171	$4,616,270	$4,613,331
Dividends	4,611,111	4,605,701	4,601,561
Balance	$ 15,060	$ 10,569	$ 11,770
Prev. Bal.	2,145,341	2,134,772	2,123,002
P. & L. Bal.	$2,160,401	$2,145,341	$2,134,772

The new plant of the Superior Paper Mills at Thorold, Ontario, will begin production in March. The output will total 3 000 tons a year and will consist of pattern tissues, twisting and wrapping tissues and colored specialties.

The Commonwealth Life and Accident Insurance Company

Head Office: Hamilton, Ont.

Continues to Make Splendid Progress

New Business Issued 1926 .... $3,028,828

Total Insurance in Force $6,051,235

Gain in New Insurance Issued ... 39%

Gain in Total Insurance in Force . 32%

Gain in New Premium Income ... 45%

Gain in Assets 36%

DIRECTORS and OFFICERS

President: W. H. WARDROPE, Esq., K.C.

Geo. C. Coppley, Esq., Hamilton, *Vice-President.*
J. P. Whelan, Esq., Hamilton.
W. J. Westaway, Esq., Hamilton.
Thos. W. McFarlane, Esq., London.
Charles J. Parker, Esq., Brantford.
John Hallam, Esq., Toronto.
F. A. Magee, Esq., Hamilton.
Capt. Geo. J. Guy, Esq., Hamilton, *Vice-President.*
Col. F. C. McCordick, Esq., St. Catharines.
C. W. Caldwell, Esq., Windsor.
Dr. D. J. Sinclair, Esq., Woodstock.
Dr. Jas. W. Rutherford, Esq., Chatham.
A. C. Garden, Esq., Hamilton.
H. H. Grav, Esq.

General Manager:

Secretary and Actuary, L. T. Boyd, Esq., A.A.I.A.

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The cost of selling limits your profits

Prices and terms can be discussed by Long Distance as in a personal interview. Goods can be shipped more promptly. Long Distance reduces the cost of selling and collecting.

THE BELL TELEPHONE CO. OF CANADA

179

Provincial Paper Mills Limited

Report to Shareholders At The Annual Meeting Held On *Wednesday, February 16th 1927*

TO THE SHAREHOLDERS:

Your Directors submit herewith Annual Statement showing financial position of the Company at December 31st, 1926. The accounts have been audited and the statements submitted herewith approved by P. S. Ross and Sons.

You will note from the statement that after paying interest on Bonds, reserving $300,000.00 for depreciation of buildings and plant, writing off balance of Bond discount account amounting to $50,000.00, and providing for Income Tax payable in 1927, there remained from the year's operations a balance of $730,491.00. Deducting from this Dividends of 7% on Preferred Stock, and 7% on Common Stock there remained to be added to Surplus Account, the sum of $366,491.00.

About a year ago the Ontario Government offered for tender, the right to cut the pulpwood on several different areas in the vicinity of Port Arthur. Realizing that we did not have a sufficient supply of wood to justify further expenditure on our mill, we submitted bid for one area and were successful in securing same. As this gave us an ample supply of wood your Directors felt warranted in proceeding with the installation of the second machine in the Port Arthur Mill, which included extensions to finishing room, beater room, wood room and the increasing of the groundwood mill from a daily capacity of Thirty tons to Seventy-five tons. All of the work will be completed and in operation this month.

All the mills have been operated to normal capacity throughout the year with the result that sales were about 10% higher than for the previous year. With the additional machine at Port Arthur a further increase may reasonably be expected for 1927. The demand for our product continues to be satisfactory and the prospects are encouraging.

In the last report I referred to our having purchased the paper jobbing business known as The John Martin Paper Co., Limited, and changed the name to Provincial Paper Sales, Limited. I am pleased to report that the result has been a substantial increase in the sale of our paper in the Western Provinces.

Submitted on behalf of the Directors by

I. H. WELDON,
President.

Toronto, February 16th, 1927.

Balance Sheet, December 31, 1926

ASSETS

Property and Plant

Real Estate, Buildings, Equipment, etc.	$7,172,120.36	
Port Arthur Extensions during 1926	1,064,407.48	
		$ 8,236,527.84

Current Assets

Cash on Hand and in Banks	$ 130,362.79	
Bills Receivable	48,449.14	
Accounts Receivable, Less Reserve for Doubtful Accounts	675,485.41	
Inventories—Paper, Stock, Supplies, Prepaid Charges and Pulpwood, including advances on 1927 Operations	1,269,898.55	
		$ 2,124,195.89

Other Assets

Government Deposit on Timber Limits	$ 150,000.00	
Investments	356,157.37	
		$ 506,157.37
		$10,866,881.10

In our opinion the above Balance Sheet and relative Income Account have been properly drawn up so as to exhibit the financial position of the PROVINCIAL PAPER MILLS LIMITED, as at the 31st of December, 1926, and the results of operations for the year ended at that date, according to the information and explanations given to us and as shown by the books of the Company. All of our requirements as Auditors have been complied with.

(Signed) P. S. ROSS & SONS,
Chartered Accountants.

Toronto, February 4th, 1927.

LIABILITIES

Capital Stock

Preferred—Authorized	$2,400,000.00	
Less Unissued	700,000.00	
		$ 1,700,000.00
Common—Authorized	$7,600,000.00	
Less Unissued	4,100,000.00	
		$ 3,500,000.00

Mortgage Debts

Bonds, 20 Year, 6%, Due 1940:		
Authorized—$3,000,000.00.		
Issued	$1,500,000.00	
Less Bond Sinking Fund	150,000.00	
		$ 1,350,000.00

Current Liabilities

Bank Loans for Port Arthur Extension		$ 400,000.00
Accounts Payable, Accrued Charges and Reserve for Contingencies and Income Tax Payable 1927	$ 438,063.62	
Accounts Payable, Port Arthur Extension	145,709.29	
Dividends Payable January 3rd, 1927:		
Preferred, 1¾%, Regular	29,750.00	
Common, 1½%, Regular	52,500.00	
Common, 1%, Special	35,000.00	
		$ 701,022.91

Other Liabilities

Reserve for Depreciation of Buildings and Plant		$ 1,913,147.03
Surplus:		1,302,711.16
		$10,866,881.10

Contingent Liability for Bills Receivable under Discount, $43,265.00

INCOME ACCOUNT For Year Ended DECEMBER 31st, 1926

Surplus December 31st, 1925		$ 936,220.16
Manufacturing Profit for Year	$1,218,105.70	
Sundry Revenue	6,375.12	
		$1,224,480.82
		$2,160,700.98
Less Interest on Bonds		81,589.67
		$2,079,111.31
Reserve for Depreciation of Buildings and Plant	$ 300,000.00	
Added to Reserve for Doubtful Accounts	2,400.15	
Balance of Bond Discount	50,000.00	
Added to Reserve for Income Tax Payable in 1927	60,000.00	
		$ 412,400.15
		$1,666,711.16
Dividend on Preferred Stock, Regular, 7%	$ 119,000.00	
Dividend on Common Stock, Regular 6%	210,000.00	
Dividend on Common Stock, Special, 1%	35,000.00	
		$ 364,000.00
Surplus December 31st, 1926.		$1,302,711.16

Audited and Verified,

(Signed) P. S. ROSS & SONS,
Chartered Accountants.

Toronto, February 4th, 1927.

OFFICERS AND BOARD OF DIRECTORS, 1926

I. H. Weldon, President; T. A. Weldon, Vice-President; S. F. Duncan, Treasurer; W. S. Barber, Secretary.

Directors: I. H. Weldon, T. A. Weldon, S. F. Duncan, Alex. Fasken, S. B. Monroe, A. B. Connable, R. S. Waldie, C. S. Campbell, Sir Charles Gordon, K.C.B.E.

Stock Transfer Agents: Royal Trust Company, Toronto and Montreal.
Bankers: Bank of Montreal, Toronto.

Men Back of Massey Deal Rank Among Kings of Finance

Thomas Bradshaw and J. H. Gundy Alike in Analytical Power and Courageous Handling of Large Transactions —Latest Coup Great Business Achievement

By FLOYD S. CHALMERS.

ALLIANCE of J. Harry Gundy and Thomas A. Bradshaw in the purchase of control of Massey-Harris Company brought together two dominant personalities in Canadian finance. In the past they have not been closely allied in any major financial operation.

Purchase of the Massey shares by these two gentlemen has been labelled as a signal act of patriotism. This is high-sounding headline writing for the daily papers. Messrs. Bradshaw and Gundy are patriotic, loyal Canadians, but their purchase of Massey-Harris control measures up as an outstanding achievement even when viewed simply as a shrewd business transaction. They took the courageous step of committing themselves to a $7,500,000 investment because their financial vision and business sense told them that the opportunity, presented by the desire of the Massey interests to liquidate their holdings, offered a business opportunity not to be overlooked.

Having pulled Massey-Harris out of its post-war crisis and established it in a powerful position, liquid and progressing, Mr. Bradshaw was not the man to permit someone else quietly to assume control. If there was to be any change in the chief ownership, Mr. Bradshaw himself had earned the first refusal of it and he had the willingness to assume the risk and the ability to swing to his aid sufficient support to carry through the transaction.

Having always the qualities of courage, vision and constructive financial ability, Mr. Gundy could, with confidence, be entrusted to work out a financial operation that would make possible Mr. Bradshaw's ambitious plan.

In the Massey Harris drama, Mr. Bradshaw and Mr. Gundy were the actors whose names shone brilliantly on the theatre front, and who had the biggest roles. But behind the scenes stood another financier, whose part in the deal was important. Sir Joseph Flavelle was unseen, but important in the development of the financing plan.

Bradshaw

THOMAS BRADSHAW linked his fortunes with the Massey-Harris Company in 1920. When he was called in by the directors of that company to do the job of saving the company from the possibility of disaster, following war and business depression, and in the midst of a serious agricultural slump, it was the crowning recognition of his very remarkable achievements in varied departments of commerce, finance and industry. These achievements were the work of a man who came to Toronto at the age of 12, and whose first job was in Eaton's department store, where, it is stated, he earned $3 a week.

That job lasted a few months and then Tom Bradshaw got a job as "copy-chaser" at the Mail job press. It was his duty to carry proofs of circulars, hand-bills and other advertising matter to the various firms who patronized the printing shop. One of the offices he called at from time to time was that of the North American Life Assurance Company. In that office, he always betrayed a curious interest in insurance matters and bombarded the secretary, Leo. Goldman, later president of the same company, with numerous questions about life insurance. Goldman saw possibilities in the lad, then about thirteen years old.

"How would you like to go into the insurance business?" he asked him one day.

"Fine! when do I start?" asked Bradshaw.

That was his advent into life insurance. He took a cut in salary to get the new job and he was bound to the company by his father to serve them at $5 a month. A year later he was to get an increase of $2.50 a month.

Burned Midnight Oil

Taking on his new work, the thirteen-year-old youngster began to learn everything there was to know about the insurance business. He attended a night class and after his studies there were finished he came home and poured over actuarial tables and books on insurance and actuarial practice. He managed to pass his matriculation, with the idea of becoming a doctor. But his long hours of study told on him; his health broke down and ambitions to join the medical fraternity fell by the wayside. Bradshaw went back to insurance and applied himself to actuarial study with increased vigor.

Just how expert Mr. Bradshaw became in actuarial practice may be judged from the fact that at the age of 29 he became a fellow of the Insurance Actuaries of Great Britain, a more than exclusive organization. In the same year, 1897, the Imperial Life Insurance Company was organized. Bradshaw was asked to join the company and he gave up his other position to take on a responsible post with the newly incorporated concern.

During the balance of his career in life insurance, he wrote a number of authoritative works on the subject.

Becomes a Bond Merchant

In 1909, after Mr. Bradshaw had become a successful insurance man, his keen business abilities were recognized by the investment house of A. E. Ames and Company. Mr. Ames asked him to become a partner. At A. E. Ames and Company he became an expert on municipal bonds, just as did Mr. Gundy about the same time.

He wrote a number of treatises on the subject at the time. His small pamphlet on "Some Aspects of Municipal Finance," became as widely known as his works on insurance topics, "The Investments of Life Companies," for example.

City Service Calls Him

The outbreak of the war, following an era of seriously inflated prosperity in the city of Toronto, left the civic finances of Toronto in a condition where rigid financial control was essential if trouble were to be avoided.

THOS. BRADSHAW

With a debt of $100,000,000, and an annual income of nearly a quarter of that, Toronto as a municipality was one of the greatest incorporated institutions in the country. To direct its financial policy required the services of the biggest man in municipal finance in the country. Prominent Toronto citizens, business men who had hitherto neglected municipal affairs, took a hand in the matter. They asked Bradshaw if he would assume the job of city treasurer and finance commissioner if it were offered to him. Bradshaw knew it meant the sacrifice of a large part of his annual income and the sacrifice also of a position where he was at least assured of appreciation and comparative quietude. But he felt that it was his duty to give of his best to his city and he went to the city hall, at a salary of $15,000 a year, much under his former salary.

For four years he gave of his best to the city. He re-established its finances and made it simple for his successor to carry on. His career at the city hall was a triumph for patience, common sense and courage.

Job Again Seeks Man

Mr. Bradshaw has never had to seek a job since he became a $3 a week helper in Eaton's. With him the job has always sought the man, and it was so when the Massey-Harris Company came after him. In 1919, they asked Mr. Bradshaw to take on the position of treasurer and financial adviser to their firm. The directors felt that the financial affairs of the Massey-Harris Company were so important as to demand a big man to look after them. With assets totaling $43,000,000, several millions of them tied up in Germany, Austria-Hungary and Russia, waiting to be salvaged, the Massey-Harris organization needed a financial adviser of more than ordinary calibre. They sent for Bradshaw. But Bradshaw's work at the city hall was not finished. He asked the firm to wait. They waited a year and in the spring of 1920 Mr. Bradshaw went to them as treasurer. Six months later he was appointed general manager.

One of his first duties was to clean up the claims of the company for the German accounts, which had been considered worthless. A trip to Berlin enabled him to carry out the negotiations and the company was enriched to a considerable extent. It was the first concern in Canada with German accounts to have them cleaned up.

Changes in the tariff on two different occasions called for the most careful study of the financial conditions, but these changes were more than met and the company has increased its business at a tremendous rate. As general manager, Mr. Bradshaw has planned ahead to maintain the export business at the very highest level. It was in connection with developments in Australia that he was on his way west when he got off the train at Fort William and came back to Toronto to buy control of the company.

Study and Analysis His Assets

Mention has been made of Mr. Bradshaw's knowledge of finance and his knowledge of men. Analysis is the keynote to each. When he was a youngster studying actuarial practice at night he learned the power of deep study. When he considers a matter he considers it from angles that the ordinary individual would not think of. And after all when a man has that power of study and analysis, it matters little whether the matter in question be insurance, municipal finance or industrial problems.

Gundy

WHEN we come to look at the career of J. H. Gundy, the other of the two chief partners in the Massey-Harris deal, we find a man of somewhat similar type, younger by ten or twelve years, a little colder, perhaps, but matching Mr. Bradshaw in analytical ability, in calculating financial acumen, in careful avoidance of anything speculative or unsound and having as one of his chief hobbies, work for the Y.M.C.A., which has always attracted Mr. Bradshaw's interest and co-operation.

Their careers have other parallels. Mr. Bradshaw was a bond man at one time; Mr. Gundy was a bond man at the same time and still is a bond man, or as bond men now call themselves, an investment banker. Mr. Gundy started his career with one of Senator George Cox's companies. Mr. Bradshaw worked for another, the Imperial Life.

First Job as Junior

Mr. Gundy's name is James Henry Gundy, a piece of news that may come as a surprise to many of his friends, who have never known him by any other name than Harry Gundy. He is a minister's son, who came from a small Ontario town to "accept" a post as junior with the Central Canada Savings and Loan Company, in Toronto. He was then 18. At 20, he was accountant for the Dominion Securities Corporation, just established. At 22, he was secretary of the firm. And at 25, he had started his own firm, associating himself with G. H. Wood in the firm of Wood, Gundy and Company.

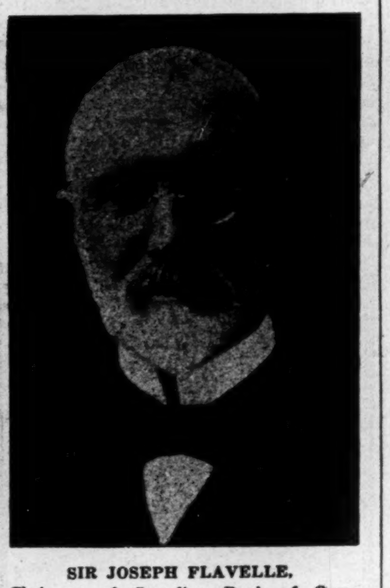
Mr. Wood is still head of the firm. It is a natural question to ask why one hears so much these days of Mr. Gundy and so little of Mr. Wood. This is because Mr. Wood is a man of very wide philanthropic interests. He has reached the point in life, he considers, where he wants to devote most of his time to the service of his fellow man. He is therefore not as active in a business way as he was before and during the war, when he was one of Canada's outstanding authorities on government and municipal bonds and a very active worker in Canada's war financing. The transition of the firm of Wood Gundy and Company from the leading municipal bond house in the Dominion to one of the leading corporation investment banking firms has marked the change from Mr. Wood to Mr. Gundy in the position of major public activity in the firm.

Incidentally, the interlocking of the "Big Three" investment houses (as A. E. Ames and Company, Dominion Se-

(Continued on page 16)

J. H. GUNDY

Aided Financing



SIR JOSEPH FLAVELLE.

Chairman of Canadian Bank of Commerce, which advanced the money to put through the Massey-Harris purchase. Sir Joseph is given credit for a major share of the work involved in completing the deal.

Fourteenth Annual Report of

The Waterloo Trust & Savings Company

The Directors of the Waterloo Trust and Savings Company have pleasure in submitting herewith to the Shareholders, their Fourteenth Annual Report, showing the result of the Company's operations for the past year, accompanied by the Balance Sheet to December 31st, 1926.

After providing for interest on deposits and other Trust Funds received from the public, and defraying the expenses of management, the balance available for distribution is as follows:—

Balance brought forward from 1925	$ 2,240.08
Net Profits for the year	80,650.19
	$82,890.27

This amount has been disposed of as follows:—

Two half-yearly dividends, Nos. 25 and 26, at the rate of 6½ per cent. per annum	$48,750.00
Dominion Government Income Tax	7,011.61
Transferred to Reserve Account	25,000.00
Balance carried forward	2,123.66
	$82,890.27

The business of the Company shows a very gratifying increase for 1926. The total Assets as at December 31, 1926, amounted to $6,269,930.12 as compared to $5,213,882.56 for 1925, showing an increase of $1,056,047.56. The most noticeable feature in connection with the business for the year was the large addition to Guaranteed funds. These were increased by $772,000.00. The continuous growth of our deposit and general guaranteed receipt business is evidence of the increasing prestige of the Waterloo Trust in this district. The Estates Department shows total Assets under the Company's charge as at December 31st of $851,490.07, showing an increase of $273,000.00 for the year. A great many new appointments by will were received by the Company during 1926, and we believe that this Department will continue to increase in importance, and, in time, will have a very large volume of Estates business to administer. The Company's Bond Department also is becoming increasingly active and should continue to expand its investment service amongst local clients.

New investments for the year have, as usual, been confined to first mortgages and Government and Municipal Bonds for all Trust and Guaranteed funds together with a small amount of Corporation and higher grade public utility bonds for the part of the Company's capital funds.

The books and vouchers for the three offices have been audited monthly and the Auditors' certificate is attached herewith.

All of which is respectfully submitted.

THOS. HILLIARD,
President.

Kitchener, Ontario, January 26, 1927.

Assets and Liabilities

ASSETS

Capital Account		
Office Premises, Waterloo and Kitchener, including safe deposit vault, etc.		$ 96,798.20
Other Real Estate		54,515.59
Mortgages		
Principal	$181,291.86	
Int. due & accrued	6,057.93	
		187,349.79
Loans on Stocks, Bonds, etc.		
Loans on Company's own stock	$13,682.34	
Loans on other secur.	76,547.08	
		90,229.42
Bonds issued by Dom. of Canada and Provinces of Canada		118,887.17
Bonds guaranteed by Dom. or Prov. Governments		31,106.44
Munic. and Sch. Debentures		119,711.07
Other Bonds and Debentures		179,892.08
Other Assets		8,752.09
Adv. to Est. under administr'n		24,643.98
Cash in banks		24,025.57
Cash on hand		65,591.96
		$1,001,503.66
GUARANTEED TRUST ACCOUNT		
Mortgages		
Principal	$2,593,977.71	
Int. due & accrued	62,587.85	
		2,656,565.56
Dominion and Prov. Gov't Bonds	167,689.53	
Bonds Guar. by Dom. or Prov. Govt.	261,525.26	
Municip., School & Mun. Tele. Bds.	1,078,664.80	
		1,507,879.59
Call Loans against Govt. and Munic. bonds		125,000.00
Cash on hand and in banks		127,491.24
		$4,416,936.39
ESTATES, TRUST AND AGENCY ACCOUNT		
Mortgages		$ 98,532.25
Bonds		59,143.01
Sundry Investments		5,846.80
Cash on hand and in banks		41,065.35
Inventory value of unrealized Estates, Assets		646,902.66
		$851,490.07
		$6,269,930.12

THOS. HILLIARD,
President.

LIABILITIES

CAPITAL ACCOUNT	
Capital Paid-up	$750,000.00
Reserve Account	225,000.00
Dividends declared and unpaid (due January 1st, 1927)	24,375.00
Profit and Loss	2,128.66
	$1,001,503.66
GUARANTEED TRUST ACCOUNT	
General Guaranteed Trust Receipts and Debentures	$2,012,930.81
Trust Deposits	2,404,005.58
	$4,416,936.39
ESTATES, TRUST AND AGENCY ACCOUNT	
Trust Funds for Investments	$ 179,943.43
Advances from Capital Fund	24,643.98
Inventory Value of unrealized Estates, Assets	646,902.66
	$851,490.07
	$6,269,930.12

P. V. WILSON,
Managing-Director.

The Real Estate Loan Company of Canada, Limited

BALANCE SHEET AS AT 31st DECEMBER, 1926

Assets

Real Estate held for sale		$ 62,881.75
Loans on Mortgages—		
Principal	$1,243,608.44	
Interest due and accrued	30,309.44	1,273,917.88
Loans on Stocks and Government Bonds		6,567.93
Dominion of Canada Bonds		15,134.86
Canadian Municipalities, School Districts and Rural Telephone Debentures		83,445.63
Cash in Chartered Banks		41,984.07
Cash in hands of Agents in Great Britain		6,235.93
		$1,490,168.05

Liabilities

TO THE PUBLIC			
Sterling Debentures and Accrued Interest thereon		$ 587,629.59	
Currency Debentures and Accrued Interest thereon		80,024.23	
Open Accounts and Provision for Accrued Taxes		3,657.33	
			$ 671,311.15
TO THE SHAREHOLDERS			
Capital Stock Subscribed $500,000.00.			
Capital Stock fully paid		500,000.00	
Rest	$265,000.00		
Contingent Fund	25,000.00		
		290,000.00	
Dividend No. 80, payable 2nd January, 1927		17,500.00	
Dividends Unclaimed, etc.		284.50	
Profit and Loss Account		11,072.40	
			818,856.90
			$1,490,168.05

PROFIT AND LOSS ACCOUNT—For the Year Ending 31st December, 1926

Interest paid and accrued on money borrowed	$ 35,566.61
Expenses of money borrowed and lent	2,562.57
Cost of Management and Directors' Compensation	14,543.47
Government and Municipal Taxes paid and accrued	4,604.43
Dividends Nos. 79 and 80	35,000.00
Balance carried forward	11,072.40
	$103 349.48

Balance forward, 31st Dec., 1925	$5,689.08	
Less: Voted at Annual Meeting to President and Vice-President	1,200.00	
		$ 4,489.08
Income from Interest on Investments		98,860.40
		$103 349.48

E. L. MORTON, Managing Director.

AUDITORS' CERTIFICATE

We have audited the books and accounts of the Real Estate Loan Company of Canada, Limited, for the year ended 31st December, 1926, and have verified the Cash, Bank Balances and Securities of the Company. After due consideration, we have formed an independent opinion as to the position of the Company. In our opinion so formed, and according to the best of our information and explanations given to us, we certify that the above statements set forth fairly and truly the state of affairs of the Company and are in accordance with its books. All transactions of the Company that have come within our notice have been within the powers of the Company.

S. W. BLACK
H. J. WELCH, F.C.A.
Auditors.

Toronto, 21st January, 1927.

THE TRUSTS AND GUARANTEE COMPANY

LIMITED

30th Annual Statement

BALANCE SHEET, DECEMBER 31st, 1926

ASSETS.

Capital Account			
Office Premises—Safety Deposit Vaults Toronto, Calgary and Brantford	$245,084.77		
The Trusts Buildings, Limited, Shares. (See footnote to Balance Sheet December 31, 1920)			
Office Furniture	25,000.00		
Real Estate—held for sale	189,659.44		
Mortgages—			
Principal	$10,523.00		
Interest	1,288.96		
		11,811.96	
Loans on Stocks and Bonds and other Securities		44,955.72	
Province of Canada Bonds		26,450.00	
Other Bonds and Debentures		597,632.27	
Stocks		225,127.77	
Cash in Chartered Banks		55,348.14	
Cash on Hand		5,233.80	
Other Assets		306,418.09	
			$1,732,721.96
Guaranteed Trust Account			
Mortgages—			
Principal	$4,016,197.33		
Interest	148,703.67		
		$4,164,901.00	
Loans on Bonds, etc.		74,555.11	
Dominion of Canada and Provinces of Canada Bonds		579,836.44	
Canadian Municipalities and School District Debentures		328,898.65	
Other Bonds and Debentures		555,000.00	
Real Estate held for sale		161,577.52	
Cash in Chartered Banks		359,362.98	
Cash on Hand		11,043.05	
			$6,235,174.75
Estates, Trusts and Agency Account			
Funds and Investments			$25,419,359.29
			$33,387,256.00

LIABILITIES.

Capital Account		
Capital Stock Subscribed	$2,000,000.00	
Capital fully paid	$1,209,000.00	
Capital partly paid	233,873.63	
		$1,442,873.63
Money Borrowed from Bank.		85,000.00
Reserve re balance Dominion Special War Revenue Tax		2,000.00
Sundry Accounts Payable		2,916.62
Dividends declared and unpaid, due January 2nd, 1927		43,268.93
Profit and Loss		156,662.78
		$1,732,721.96
Guaranteed Trust Account		
Trust funds for investment	$5,051,774.93	
Trust Deposits	1,183,399.82	
		$6,235,174.75
Estates, Trusts and Agency Account		
Estate, Trusts and Agency Accounts		$25,419,3[illegible].29
		$33,387,256.00

JAMES J. WARREN,
President.

E. B STOCKDALE,
General Manager.

We have audited the books for the year ending 31st December, 1926, and verified the cash, bank balances and securities of the Corporation. We have examined the statement and it agrees with the books of the Corporation. After due consideration we have formed an independent opinion as to the position of the Corporation; and with our independent opinion so formed and according to the best of our information and the explanations given us, we certify that in our opinion the statement sets forth fairly and truly the state of the affairs of the Corporation; and that all transactions of the Corporation that have come within our notice have been within the powers of the Corporation.

GEO EDWARDS, F.C.A.
H. PERCY EDWARDS, F.C.A. } Auditors
of Edwards, Morgan & Company, Chartered Accountants.

THE FINANCIAL POST

Member Audit Bureau of Circulations

President—JOHN BAYNE MACLEAN.
Vice-President—HORACE T. HUNTER.
Manager—GORDON RUTLEDGE.
Managing Editor—FLOYD S. CHALMERS.

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SUBSCRIPTION PRICE
Canada and the United States, $5.00 per annum.
United Kingdom, 21s.

Published by
THE MACLEAN PUBLISHING CO., LIMITED
143-153 University Ave., Toronto, 2.
MONTREAL, Southam Building, Murray R. Chipman, Eastern Manager. Rielle Thomson, Eastern Editor; WINNIPEG, 810 Confederation Life Building; NEW YORK, Room 1606, 1133 Broadway; CHICAGO, Room 1903, 360 N. Michigan Blvd. GREAT BRITAIN—London, The MacLean Co. of Great Britain, Ltd., 88 Fleet Street, E.C., E. J. Dodd, director.

TORONTO, FEBRUARY 18, 1927

PAYING FOR PEOPLE

AN OFFICIAL of the department of immigration, attempting to explain the comparative failure of his department in bringing immigrants to Canada on a large scale, said:

"You must appreciate that all the money spent by our department does not go towards getting new immigrants for Canada. That is only a part of our work. The inspection at ports and along the border is a big job, too. Probably half of our total expenditure is used to keep people out—the wrong kind of people, I mean, of course."

If this 50-50 division is right, Canada's immigration expenditures in the 1925 fiscal year were about $1,600,000 to get new immigrants and about $1,600,000 to examine travelers coming into the country. On a similar basis of comparison, Canada has spent since Confederation, $20,000,000 to get new people and $20,000,000 to maintain inspectors.

The C.P.R. has spent $86,000,000 to promote immigration and colonization. Other private bodies have, no doubt, at least equalled this in their total expenditures. The Dominion government has spent, as we have shown, $20,000,000.

As long as private enterprise does more to promote immigration to Canada than the Dominion government itself, it ill behooves the department of immigration publicly to attack such private enterprise, as it has done in the case of the Salvation Army.

AN ECONOMIC PROBLEM

STATEMENT by Prof. W. T. Jackman, of University of Toronto, a recognized authority on railway economics, that equalization of railway rates has been proven by exhaustive study to be impractical, will kill some high hopes. Our politicians have preached to us that "rates equalization" are the magic words that will open the gates to prosperity and give every single part of Canada lower freight rates without taking away any revenue from the railways themselves. The impossible was to be done; we were going to lift ourselves skyward by our own bootstraps.

Prof. Jackman pricks this bubble and also destroys some others that have been inflated. He shows that if British Columbia were given literal equalization of freight rates it would pay higher rates in 85 per cent. of its traffic and get lower rates on only 15 per cent.; he shows us that complete equalization of freight rates, on a mileage basis, throughout Canada, would so upset the economic balance of the country as to throw our whole development out of gear.

Particularly does Prof. Jackman make out a possible case when he indicates the dangerous tendency towards seeking, by political pressure, freight rate changes that cannot stand on their merits when argued out before the railway board. Each part of Canada is watching the others. As soon as the first favor is granted any part of Canada, every other part will want to be soothed with uneconomic concessions. Then will follow turmoil, confusion, economic decay.

Railway rates are an economic problem. Prof. Jackman, in his striking article in our issue this week, is right in pleading that they be established on economic bases.

FATHER'S DAY

MOST demands for special treatment for one section or another of Canada come from the flying buttresses of the nation—east and west. When larger subsidies are asked, it is the Maritimes or British Columbia that do the asking, or perhaps the prairies. In freight rates the favorable adjustments are usually requested from the east or the west. Seldom does one hear complaint from Ontario and Quebec that they are discriminated against. The two stalwart older provinces bear the heaviest burdens and do the least complaining.

This may be fair enough. The greatest degree of invested wealth and the highest per capita incomes are in Ontario and Quebec. In age and wealth they are the heads of the family of provinces and accordingly have to bear the heaviest load.

In the fiscal year 1925, such governmental revenues as can be divided by provinces, and making up three-fourths of the total revenue of the Dominion, were derived as the table below indicates. The subsidies paid by the Dominion to the provinces are also set forth:

	Taxes paid	Subsidy received
Ontario	$134,478,075	$2,642,612
Quebec	122,946,472	2,256,420
Brit. Columbia	23,429,135	738,817
Manitoba	15,661,471	1,501,551
New Bruns.	6,665,093	666,766
Alberta	6,405,342	1,674,435
Nova Scotia	5,032,670	661,854
Saskatchewan	3,162,669	1,757,005
P. E. I.	298,753	381,932
Yukon	189,495	..X...
Unclassified	757,709	....
Total	$309,026,883	$12,281,391

xExpenses of administration paid by Dominion Government.

The revenues so derived were customs duty, excise taxes, excise duties, income tax, business profits, and sundry smaller items. In addition, as an Ontario member recently pointed out in the House of Commons: "The same proportion appears in regard to other public departments, such as finance and insurance; the percentage is about the same. Of the revenues collected by the Department of Marine and Fisheries the province of Ontario pays $147,000 of a total of $422,000 under the head of Marine; while in the Post Office Department Ontario contributes over $11,000,000 to a total of $28,000,000, compared to $5,000,000 odd paid by the province of Quebec. In other words, the province of Ontario, in this department alone, pays more than twice as much as the province of Quebec, by a million dollars odd. The percentages are, Ontario 40 per cent., Quebec 18 per cent., Manitoba 11 per cent. and so forth."

Now no one will profess that this can be regarded as a completely accurate picture of the respective tax burdens of the province. Sales tax will be paid in Ontario, for instance, but passed on to a P. E. I. consumer. Customs duty will be credited to British Columbia that is finally paid by a western farmer. But even allowing generously for such cases, it seems apparent that Ontario and Quebec bear the brunt of the burden of Dominion taxation.

When Ontario and Quebec business men and financiers ask for tax reductions, they are not without the right so to speak.

Budget day should be Father's Day for a few more years for these Daddy provinces.

THE APPOINTED HOUR

THIS is the appointed hour for British capitalists to invest in Canada. So declares the Canadian Gazette, published in London. The Gazette calls the attention of British industrialists and investors to the fact, as revealed by The Financial Post Survey's estimate of foreign capital investments in Canada, that the shrewd business men of the United States have been outpacing those of Great Britain in appreciation of Canada's good things. "We want to see, and most Canadians want to see," declares the Gazette, "Britain regain her pride of place in the Canadian investment field."

Mr. Goodenough, chairman of Barclay's Bank, declared in a London address, "The outlook for trading conditions within the Empire has been greatly improved and every endeavor should be made to ascertain each other's needs and to provide funds both for capital and for trading purposes." His plea should give British investors courage to invest more money in Canada.

The Gazette performs a useful service, not only for Canada, but for the British investor, when it shows Britishers that Canada is now definitely swinging forward. Canada is going to give profitable employment to much outside capital in the next generation. If the British investor wishes to share in the profit he must soon strengthen his grip on Canadian finance.

SELF INTEREST ABOVE FRIENDSHIP

EVERY time an American spends a dollar for Canadian goods a Canadian spends $1.50 for United States goods. The United States is highly gratified to have such a good customer in Canada, but the politicians who frame the United States tariff and appended regulations are at pains to discourage imports from this Dominion. There are a few enlightened persons who preach that, if the United States would sell abroad, it must also buy. But theirs are voices crying in the wilderness. They will not be heard so long as discriminatory import restrictions do not adversely affect exports.

Hay once was a profitable crop for the farmers on the southeast corner of the Niagara peninsula. Buffalo was their market until hay-growers on the other side of the line made an effective protest. From then until very recently the farms in Niagara district outside the fruit belt were not worth so much. The building of the Peace bridge has made them attractive to professional subdividers.

A considerable portion of the Canadian wheat crop was marketed in the United States. A duty of 30 cents the bushel was imposed in 1922 and Mr. Coolidge, on the advice of his tariff commission, increased the rate to 42 cents. Very little Canadian wheat gets to the United States now except for milling in bond for export to Europe or elsewhere. This milling in bond at Buffalo is business which rightly belongs to Canadian mills in Canada. Canadians also have had to find another market for their cattle.

Two or three years ago ice-skating became fashionable in American cities. A Canadian manufacturer of ice-skates made one or two profitable exports. But the second season of this business found him up against a stone wall in the person of the appraiser at a United States port of entry. The appraiser somehow or other did not get around to valuing the shipment of Canadian skates until March or April, when the skating season was over.

More recently, Canadian dairymen built a good trade with New York and other Eastern cities. But it is probable that the President soon will sign an act of congress which will permit this business to continue only under regulations to be laid down by the secretary of agriculture. The agitation for the law has been based on the contention that Canadian dairies are not subject to inspection by the United States health authorities, although health authorities of cities concerned haye asserted that the Canadian milk received has been up to standard. Whatever may be the regulations of the secretary of agriculture, the purpose of the law is protection of the already-prosperous dairy industry of New York and New England.

These are a few incidents which help to explain why United States exports to Canada are half as much again as are Canadian exports to the United States. The motive that inspired these regulations which have been hurtful to Canadian business is self-interest rather than unfriendliness. To those persons who have been contending that the United States must buy where it sells the sufficient answer is given that the United States exports to Canada continue undiminished after the barring of many imports from Canada.

Canada, on the other hand, displays the utmost tenderness in dealing with imports from the United States, although these imports are diminishing by large amounts annually the output of Canadian mills and factories and the earning power of Canadian workmen. Emulation of the United States in the protection of home industry should make Canada more conspicuously successful in manufacturing.

NO ATTRACTION FOR CAPITAL

TORONTO is much perturbed by the functional disintegration of its publicity services. Business men are proposing formation of a body to obtain new industries for the Queen City of the Banner Province.

That is one item of news. Here is another:

Toronto's tax rate seems certain of rising this year to heights unheard of, in recent years at least. Despite the increase in assessment valuations, the revenue on the basis of the 1926 tax rate of just under 30 mills is not going to be enough, it appears, to cover increased school and ordinary expenditures, accumulated deficits on radial railways and harbor development, higher debt charges and departmental overdrafts. A tax rate of 32 mills is forecast, which business men in Toronto sincerely hope can be avoided.

The two statements do not go well together. Toronto, or any other city, can best get industries by reducing the tax level and making the city attractive for industrial investment.

It is often said that people get the kind of government they deserve. Toronto probably gets as good government as it can expect from the people it elects to office.

STAGGERING TO WORK

NEW YORK'S traffic problems are, of course, more acute than in any other city on the continent and it is therefore natural that New York should be taking the lead in studying the "stagger plan" of relieving rush hour congestion on street railways and other forms of transportation.

Of the 800,000 people working in New York below 72nd Street, it has been found that 85 per cent. begin work between 8 and 9 o'clock in the morning, while in the evening the closing hours of offices and factories come even more closely together. Steps are being taken in New York to attempt a concerted rearrangement of office hours in order to spread the morning and evening traffic jams out more thinly. This would be done by "staggering" office hours; overcoming a situation that permits 300,000 people to arrive at their offices—assuming them all to be on time—at 9 o'clock in the morning instead of having some of them starting work at 8.45 and others at 9.15.

Toronto has been doing some quiet studying of the stagger plan, officers of the Toronto Transportation Commission having in mind seeking the co-operation of business houses to aid in relief of traffic congestion.

Staggered office hours are yet of the future but they are being forced upon us by urban conditions.

EDITORIAL NOTES

SUPER-MEN are in demand. B. C. wants one to run its new fruit combine.

• • •

W. C. DURANT says stocks will sell higher, which should be enough warning to the public to watch its step.

• • •

NEW YORK policemen, sent out to find nudity on the stage, have a blanket order to arrest. Wouldn't a blanket be better?

• • •

THE STATEMENT of George Kidd, president of the B. C. Electric Railway, that his company has to double the capacity of its hydro-electric system every eight or ten years reveals one reason why public utility securities rank high as investments.

Rail Equalization Claims Endanger Reasonable Rates

"Equalization of freight rates" has become a political catch-word in Canada. The Board of Railway Commissioners has been studying specifically the question, but at the same time, various influences have been at work trying to wring sectional advantages from the railway board's deliberations.

The atmosphere of the hearings has not been of the clearest nor all the arguments most lucid. It is small wonder that business men find the whole matter of rates equalization somewhat bewildering.

In order to give the students of Canadian affairs and to business men generally, a picture of some of the problems involved in freight rates equalization, The Financial Post asked Prof. W. T. Jackman, of University of Toronto, to review the whole case. Prof. Jackman is an outstanding authority on transportation economics; his viewpoint is independent and reliable.

Prof. Jackman opens with a review of the British Columbia freight rates case, but his later comments are of the greatest interest.

By PROF. W. T. JACKMAN,
Department of Political Economy, University of Toronto.

PART ONE, REVIEW OF CASE

In order to see this matter in its proper setting, it will be desirable to go back a little in the history of the British Columbia rates. The present desire of those in that province who are working for equalization of rates is to secure rates which, on the basis of distance, are not higher than those farther east. In other words, the purpose is to establish rates which shall be equal mile for mile in all parts of the country.

In 1906 the boards of trade of the British Columbia coast cities complained to the Board of Railway Commissioners that the rates on all classes of goods from Vancouver to all points on the Canadian Pacific as far as Calgary and MacLeod were unduly high as compared with the rates on westbound traffic from Winnipeg to the same territory. The complainants relied mainly upon the comparison of rates for similar distances to support their contention, and claimed that the levying of higher rates for shorter distances on the eastbound movement, as contrasted with the lower rates on the longer distances on the west-bound movement, constituted unjust discrimination against British Columbia.

Distances Not Determining

The Chief Commissioner of the Board, the late Judge Killam, in giving judgment on this case in 1907, said: "It appears to me that no inference can be drawn from a mere comparison of distances upon different portions of railways, and that it does not constitute discrimination—much less unjust discrimination—for a railway company to charge higher rates for shorter distances over a line having small business or expensive in construction, maintenance or operation, than over a line having large business or comparatively inexpensive in construction, maintenance and operation." It was shown that the British Columbia section of the railway put through a mountainous country, cost more to build, maintain and operate, and the traffic was lighter, than the section of the railway from Winnipeg westward to the mountains; consequently, it was recognized as just that the rates per mile in British Columbia should be the equivalent of one and one-half or two miles on the prairies. In order that no mistake might be made in this case, the chief traffic officer of the Board was asked to make a full investigation of this problem and on the basis of his results this decision was reached.

Again Ask Freight Cut

Again, in 1909, the Attorney General of British Columbia applied for an order from the Board to give that province the same freight and passenger rates as were accorded to other provinces over the main line of the Canadian Pacific Railway. The province based its case upon the following propositions, namely, that large amounts of provincial land had been given to the Dominion government to further the construction of this railway to the Pacific coast; that it was the benefit to be derived from this railway which led to British Columbia's joining with the other provinces in Confederation; that "it was not contemplated at the time of the union . . . that there should be any discrimination in freight and passenger rates between one locality and other localities, or between one province and any other province;" and that the higher rates charged for the carriage of freight and passengers in British Columbia constituted unjust discrimination against that province.

After hearing the submissions of evidence in this case, and upon full consideration of the statutory and constitutional issues raised by this complaint, the Chief Commissioner of the Board, Judge Mabee, concluded that all questions as to the nature and extent of the aid given for the construction of the railway had nothing to do with the problem of rates. The understanding of the people of British Columbia that their rates should be the same as those of the provinces farther east was wholly untenable, for the Railway Act provided that there should be equality of tolls only under substantially similar circumstances and conditions.

Operating Conditions Dissimilar

In this case, the operating conditions were entirely different in British Columbia from those on any other part of the main line of railway, and when the conditions were wholly dissimilar there was no reason why there should be equality of rates all along the line. The chief commissioner's verdict was that "the company was at liberty, when the road was put into operation, to make distinctions in its tolls in different localities, where different circumstances existed that would justify such difference of treatment. The Railway Act as it now stands, gives it and all other companies that privilege." He quoted with full approval the judgment of Judge Killam, noted above, that unequal rates per mile of line did not prove that there was unjust discrimination, and applying this doctrine to this case the complainants would be required to show that the rates in British Columbia—having regard to the nature of the lines there, the volume of business, the engineering difficulties of construction and operation, and other material matters—were out of joint with the rates over the company's lines in the provinces to the east. No evidence upon these vital issues had been offered; the whole case was put as one of contract and Judge Mabee could not find anything in the railway contract to substantiate the complainant's contention. Hence it failed.

Equalization Called Impossible

In 1910, the case was revived by the Vancouver Board of Trade applying for an order directing the Canadian Pacific Railway, inter alia, to cease charging higher rates from Vancouver to points in British Columbia and the prairie provinces than the rates charged to the same territory (for the greater distance) from Montreal, Quebec and other eastern points, and also to cease charging higher rates on wheat and oats from Alberta to the Pacific coast than the rates charged on these products (for the greater distance) from the prairie provinces to Lake Superior. Before this case could be settled, the Board had undertaken a protracted study of rates in western Canada, and after three years its judgment in this Western Rate case was issued in 1914. In this decision, the chairman of the Board, Sir Henry Drayton, used the following words: "Beyond all question, both the initial construction and railway operation through the mountains are much more expensive than operation on the prairies. Some differences in rates at the present time are not only justifiable but necessary. It is not contended on behalf of British Columbia that operation through the mountains is not much more expensive . . . It is, however, contended that these higher operating costs of British Columbia should be . . . . 'smeared' over the System, so that British Columbia would have the same rates as those applying to the Prairie Provinces. Effect cannot be given to this contention." The reasons why such an equalization was impossible are then shown.

This is in accord with the decision of the first Chief Commissioner of the Board, Hon. A. G. Blair, in the Stamford Junction case, 3 Can. Ry. Cas. 256, at pp. 259-60, when he states: "It is not in the nature of things possible to secure anything like absolute equality of treatment to all persons who use the railways, or even like treatment to all who are using the same railways . . . but with every desire on the part of the railway company to accord equally fair treatment to all patrons over its entire system, circumstances and conditions are too controlling, oftentimes, to be resisted or overcome."

PART TWO, DANGERS OF EQUALIZATION

From the foregoing decisions of the Board of Railway Commissioners, after detailed, prolonged and comprehensive study, it is evident that equality of rates is impractical; that differences in rates are necessary in order that certain commodities may be marketed in the face of competitive conditions and thus afford the greatest benefit in the upbuilding of the country; that a difference in rates between any two sections is not necessarily unjust or unreasonable; and that a lower rate basis on the prairies or in eastern Canada is not a discrimination against British Colum-

(Continued on page 22)

Kelvinator Canadian Head Once Manitoba Farmer

Although born and raised in Michigan, and a graduate of the Flint high school, J. B. Goss, the managing director of Kelvinator of Canada, Ltd., at London, was for several years a northwest Canadian farmer. Shortly after his graduation from high school he went into south west Manitoba, first as a hired farm hand, later as a tenant farmer, until 1905, when he took up a half section of land and began farming for himself. Starting with six horses, in a period of eight years he built his farm property up to over sixteen hundred acres. It was completely stocked, had fifty head of work horses, steam threshing and plowing outfits, and a great many cattle and hogs. Owing to a severe injury which incapacitated him for farm work he sold out the property in 1913, and went to Chicago, where he engaged in the real estate business.

After years spent in this business in Chicago, he came to Detroit, formed a connection with the Bostanh Engineering Corporation. While with this company he supervised the construction of the household refrigeration unit, which was later named the "Kelvinator." In 1920 his duties took him to Northern Texas, near Dallas, where he remained for two years supervising the construction of an oil refinery.

In 1922 Mr. Goss formed an organization and took over the distributorship for the Kelvinator in Northern Texas, where he remained until May of 1924, when he returned to Detroit, becoming actively identified with the Kelvinator Corporation in its manufacturing and servicing operations.

J. B. GOSS,
Managing Director, Kelvinator of Canada.

When the Kelvinator of Canada was organized, Mr. Goss, because of his former residence in Canada, and familiarity with all phases of the manufacture, sale and distribution of Kelvinators, was made managing director of this new company, which has a plant at London. Mr. Goss's brother, A. B. Goss, is president of the Electric Refrigeration Corporation, the United States parent company of Kelvinator of Canada.

Stock Market Transactions

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A careful review of one's investments at this time of year, is more than usually opportune. Such a review almost invariably results in discovering some profitable exchange, sale, adjustment or possibility of new investment. Then, too, accumulating fund for new investment may be available from:

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Such funds may be safely and profitably employed and adjustments and exchanges made, at present, to excellent advantage.

We shall be glad to make suggestions as to the betterment of investment lists or to consult with those having investment problems.

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Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply.

Northern Canada Power

Be good enough, would you please, to write me a few lines regarding the preferred shares of the Northern Canada Power Company.

The Northern Canada Power Company is situated in a territory which gives every indication of large growth over the next few years. With the increased mining activity we would say that the earnings of the Northern Canada Power will show steadily increasing growth.

In 1925, however, the company's profit and loss account was unsatisfactory for after all deductions of one sort and another, including the settlement of a law suit, the company did not earn its preferred dividends. For 1926, though, it is anticipated that the annual report will show a margin over preferred dividend requirements and a general all-round betterment. The company is ably managed and belongs to a strong group of companies which supply the entire mining district of Northern Ontario and Quebec.

Brompton Pulp

What is the matter with the common shares of Brompton? Why are they stagnant, and why do they sell out of line with the other paper companies? Would it be a good speculation?

The common stock of Brompton has been disappointing. It has not participated in the general upward trend which the paper stocks have exhibited over the past two years. This has been largely due to the fact that its two American mills have been making no real earnings. At the present time, there is some hesitancy in the newsprint market, and it is thought that 1927 promises a slight surplus of newsprint which would mean that the newsprint mills would perhaps have to slow up their production. As you know, Brompton produces some newsprint in addition to its other output. Thus, Brompton shares in 1927 may not show any appreciation. Nevertheless, while the stock has acted disappointingly in the past, the company has excellent assets in its wood resources, which, in the last analysis, are the basis of a pulp and paper company's prosperity. Therefore, we believe that the common stock should be a satisfactory speculation for a business man if held for a term of years.

Power Corporation

Are the first preferred shares of the Power Corporation of Canada a satisfactory purchase?

The first preferred shares of the Power Corporation of Canada are regarded as a satisfactory preferred stock investment. The earnings of this corporation are well over dividend requirements and these earnings are stabilized because they come from a wide variety of sources.

The corporation, as you know, invests its assets in the securities of many Canadian public utility companies.

We believe that the company will continue to grow and prosper. Some of the corporation's funds are invested in bonds and other gilt edged securities.

Quinte & Trent Valley

What of the shares of the Interna-Trent Valley Power preferred shares?

The Quinte Trent Power is a new company and has not been in operation long enough as yet to publish its first annual report. However, the company is a subsidiary of the Canadian Paperboard Company. The latter is ably managed and has made good progress.

The Quinte and Trent Valley Power holds contracts with the parent company and with other manufacturers in its territory which will provide sufficient earnings to meet the preferred dividend requirements. One of the chief assets back of the preferred shares of this company is the satisfactory character of its management.

We understand that the earnings at present are in excess of the preferred dividend requirements.

Dominion Chocolate

About a year ago a debenture issue was proposed for Dominion Chocolate Co. What is the present status?

According to an officer of the Dominion Chocolate Co., this concern is making a slight operating profit, but not enough to pay dividends on the preferred stock, which, we understand, are five years in arrears. There is very keen competition among the three or four concerns in the business of supplying chocolates and similar material to candy manufacturers. The general improvement in business conditions in Canada should make it possible for this company to meet competition.

We understand that no progress has been made so far in the issuance of debenture shares as was proposed some time ago. This plan has not been abandoned, however, and it is possible that the shareholders will hear further about it directly from the company.

Quinte Breweries

I would be interested in having your opinion on International Nickel; do you consider this a good investment for future return?

Would you also be good enough to give me your opinion on Quinte Breweries Ltd., which is selling 8 per cent. cumulative redeemable preference shares with the par value of $10 plus a bonus of 5 per cent. in common shares. I enclose a stamped addressed envelope for your reply, which would be appreciated.

Investment in International Nickel should result favorably if the shareholder is reasonably patient.

Breweries and distilleries in Ontario are looking forward to a new era of prosperity due to the forthcoming revision in the Ontario Temperance Act. We do not see why the Quinte Breweries should not share in whatever prosperity is about to arise for the industry. Of course there is a possibility that the industry will be overcrowded. This is a reason why investors should not put too large a proportion of their capital into such enterprises.

Murray Kay

Could you give me any information of the Murray Kay Co., which did business in Toronto some years ago, as a Departmental store? According to my information they paid dividends prior to the war, but discontinued dividends soon after the war began, and had a reorganization about 1919 or 1920, when the capital was reduced one half. Are those who were at the helm in business now, and are they doing well? Any information you can give me about the above I shall be glad of.

Do you consider International Power O.K. for one who is willing to take some chance. I would like your suggestion of two or three common stocks, not too hard to buy, with a good chance of appreciation within, say, two or three years. I have in mind the following: Provincial Paper, Dominion Stores, Canadian Bakeries and Arnold Bros., either preferred or common of the latter.

The officers and directors were heavy shareholders, principally of the common stock. Nothing at all will be paid on the common stock in the final wind-up of the company. The preferred stock holders, including outsiders, will get something, but no one at the moment is in position to say how much.

Both net and gross earnings of International Power Co., Ltd., have been increasing since 1922, and there is reason to believe that the value of the common stock will appreciate.

Howard Smith or Cosmos Imperial are two common stocks which are not paying dividends at the moment, but investors in these issues probably would make a profit in the course of a few years. Tuckett Tobacco, Dominion Stores, or Loblaw's common also have attractions for a long hold.

The others you mention are also good.

Abitibi Paper

Some time in November I was advised by a firm of stockbrokers with whom I have done some business in the past to purchase the common stock of the Abitibi Power and Paper Company. At that time, I bought 100 shares at 95 and a fraction. Since I made the purchase the stock has steadily declined. Would you be good enough to tell me whether you would advise me to hold, or to sell my stock, and also to tell me something of the company?

During the past year, the capacity of the newsprint mills on this continent has increased by 17 per cent. which compares with an average increase over the past ten years of around 7 per cent. Thus you will see that the reason for the present weakness in the shares of all the newsprint companies is simply due to the fact that the industry has expanded a little faster than has the demand for newsprint paper.

A year ago last November, The Financial Post issued its first warning to investors that there was a possibility of some decline in the newsprint securities due to this situation. Since that date, we have repeatedly pointed out to the holders of the newsprint stocks that the immense growth in the industry might bring about a surplus of newsprint production, which would tend to depreciate the price of the newsprint stocks.

The situation, so long forecast by this paper, has at last materialized. The capacity of the newsprint mills on this continent is a little—a very little—in excess of the newsprint demand. It is impossible to say how long this situation will continue. It might last a month or it might last a year. The future of the newsprint stocks depends solely on the demand for newsprint in the United States. We believe that eventually the demand will again surpass the capacity of the mills. Thus, newsprint stocks will again rise.

Abitibi is one of the leading newsprint stocks. It is an ably managed company with a successful record extending over years. It is in a very strong financial position and recently acquired a subsidiary company which produces some 200 tons daily of sulphite pulp. Thus, its earnings from now on will be obtained, not only from newsprint, but also from pulp. The diversification of its production in this fashion should tend to stabilize earnings.

If you are willing to hold your Abitibi stock for a year or so, we believe that you will obtain a decided appreciation.

Unless you are willing to hold the security over a period of years, you should never have bought it last November.

In the meantime, the mills are operating at full capacity, and the company's output for the first half of the year has been sold. Because of the satisfactory management, because of the sound physical position of its mills and because of the ultimate outlook for the whole newsprint industry, we believe that eventually the shares of Abitibi will sell at a much enhanced figure. None can foretell the immediate future. Perhaps the stock may decline a few more points.

In any event, the present decline is not due to anything unsatisfactory in connection with the company, but simply to the whole situation which surrounds the newsprint industry.

Bonds for a Widow

I am a widow and hold a few gilt-edged government and municipal bonds. I have been advised to purchase bonds of the Quebec Apartments, and bonds of the Central Public Service Corporation. Please let me have your advice.

The Quebec Apartments own and operate the Chateau St. Louis, the only really up-to-date apartment house in the city of Quebec. At the present time, we understand that about 80 per cent. of the apartments are rented. This occupancy would provide a revenue considerably in excess of the interest requirements on the $750,000 of 6½ per cent. first mortgage bonds outstanding. In addition to the bonds, the company has outstanding $350,000 of 7 per cent. cumulative preferred stock. Thus you will see that there is real money invested in the company which ranks junior to bond issue. The ownership of the company is in strong hands.

This is a satisfactory real estate bond—but we would recommend only moderate holdings of real estate bonds, as a rule, for widows. We think you would be better advised to purchase a high grade bond of a power company or perhaps an underlying bond of some strong industrial. In either case, you should purchase bonds which have a ready market and are an obligation of a company which has a successful record extending over some years.

The six per cent. collateral trust bonds of the Central Public Service Company of Delaware, appear to be satisfactory in every way.

The bonds are secured not by a mortgage on a property, but by the common stock of companies which are subsidiaries of the Central Public Service Company.

We would rather see you purchase bonds which are secured by a specific mortgage on a valuable property than bonds that are secured by common stock.

Our idea is that a widow's investments should be practically gilt-edge throughout. Perhaps, when you have accumulated a little surplus, you might invest in one or two shares of some long established and sound public utility company. They would give you a low yield but you might be able to obtain a market appreciation over a term of years.

Thin Pretext Seized to Attack Canada

The press in England continues to roast Canadian investment enterprises. There have been many unfair articles in the London newspapers and magazines but nothing has been more ridiculous than the attempt to lay the blame for the two major financial fiascoes of the past two years to this continent. The collapse of British Controlled Oilfields has given some pen-pushing Smart Alecks in Fleet Street an opportunity to slap Canada while the difficulties of the Armstrong-Whitworth firm have been laid by other young men of the British press to some fundamental weakness supposed to surround the investment of money in Newfoundland.

What are the facts? They are such as to indicate that the difficulties of each of these concerns lies outside of Canada. It would not be unkind to say that it is right in London in each case. Fortunately for Canada and Newfoundland, some of the better equipped financial journalists of the old country now realize that.

British Controlled Oilfields was incorporated under the Companies Act of the Dominion of Canada, but it was never suggested that this incorporation had any purpose beyond providing the company with a way to save money on its income tax and with some facility in the issuance of securities in dollar denominations. The promoter of the enterprise was a brilliant and clever young financier who got his start in Montreal and then went over to London, which is not so conservative a field for a man of his particular talents, as in Canada. This was Sir Mackay Edgar. He has been for many years an Englishman and not a Canadian. But the company was not promoted by Canadians nor in Canada and its properties were not in Canada. They were off in Costa Rica, Panama, Guatemala and other Richard Harding Davis countries under a hotter sun than ours.

Lost Most of Capital

The company was evidently badly managed for it lost about $32,000,000, most of its capital, but not one cent of it lost in Canada. London is now trying to work out the affairs of the company.

The world-famous firm of Sir. W. G. Armstrong-Whitworth and Co. has interests in Canada, controlling among other things the Charles Walmsley Company here. It made enormous profits during the war but has apparently lost money ever since, due, it would seem, to the existence of a "guinea pig" directorate, this being the euphemistic name given by British financial writers to a directorate composed of men of social standing rather than business ability. The company made a heavy investment in a pulp and paper mill in Newfoundland and apparently this investment was badly handled by the home directorate. This helped to precipitate a crisis that was only being postponed by the actions or inactions of the guinea pig directorate. The trouble was not due to any stock jobbing by Canadians or Newfoundlanders, nor to any economic weakness in the pulp and paper business of Newfoundland, but to bad management at home.

Come Here For Expert

It may be of interest to know that the Armstrong-Whitworth people have had to come to Canada to find a man to straighten out their difficulties.

When affairs became so entangled that the Bank of England had to step in J. Frater Taylor, a Canadian accountant of high repute, was sent to Newfoundland to make a report. His report upon the conduct of the business was so damning that Mr. Taylor was appointed to the Armstrong-Whitworth board and is now busily engaged in trying to put this gigantic enterprise, with $125,000,000 of securities outstanding, on a financially sound basis.

Mr. Taylor was born in Aberdeen, spent some time in India, reorganizing a sick company there, and in 1909 came to Canada, where he became identified with the Lake Superior Corporation, reorganizing the enterprise for London bankers. A couple of years ago he was added to the board of Wayagamack Pulp and Paper Company, not to reorganize that company, which did not need any financial medicine, but because it was felt that his rare financial abilities would be of value.

Increasing Security

The holder of long-term United Bonds is assured an increasing security behind his investment as time goes on.

No issue of United Bonds is ever for more than 60% of a conservative appraisal of the property securing it.

The facts that United Bonds mature serially, that they are retired promptly as due, and that the trust mortgage remains unchanged upon the property securing them, mean this:

There is an ever-increasing margin of security behind such of these bonds as remain outstanding.

Payment of all interest and principal as due, unconditionally guaranteed.

If you are interested in one of the soundest investments ever offered, let us send you details of issues now in hand.

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POST-Scripts

"ISN'T this an extravagance?" A visitor to the new Canadian Rail and Harbor Terminal warehouse in Toronto noticed that the window hardware in all the offices in the building, was solid brass. "It looks pretty, but wouldn't some cheaper metal serve as well?" he asked.

"No, sir," was the reply of the engineer showing the visitor around the building. "Brass costs more at the start, but it is cheaper in the end. Windows get hard treatment, especially from tenants. Brass hardware will last almost forever; years from now it will be as serviceable and as good looking as it is to-day."

Evidently, first cost is a less important consideration than last cost in modern business.

THE Arts Club Ball in Montreal was nearing its early morning close. Masks had been discarded and many of the revelers in costumes queer and wonderful preferred to rest awhile instead of dancing. Carefully ensconced under two spreading palm trees in Peacock Alley at the Windsor Hotel sat a gondolier and the Queen of Sheba. They were in earnest conversation.

The gondolier, instead of taking the usual way of a man with a maid, was seriously expounding the proposition that the House of Lords would be much improved if the Bishops were to be deprived of their right to sit in that august chamber.

The Queen of Sheba—strangely enough—was a staunch proponent of of the right of the church—at least the English Church—to have some hand in the government. And so at four o'clock in the morning the argument went merrily on.

Finally the gondolier drove home his point with what he considered would be a knockout blow, saying: "None would consider appointing a bishop to run Montreal 'Power,' why then consider a bishop fit to run a country."

Back snapped the Queen of Sheba: "I would just as soon appoint a bishop president of Montreal 'Power' as Sir Herbert Holt to a bishopric."

"Well, anyway, Holt would run a diocese better than a bishop would run the company," was the rejoinder of the gondolier.

Without stirring up any religious controversies, it would be safe to say that there will be many a Church of England layman, who has invested in companies which Sir Herbert Holt controls, who will sympathise strongly with the gondolier. He was probably a shareholder of long standing in Montreal "Power."

CONCURRENT with some market action in the shares of the Laurentide Company, the old rumors regarding a probable consolidation again bobbed up this week. The perennial story was probably started again by some bored stockbroker's office boy who desired to see more market action in the shares.

As has been pointed out time and again in these columns, Laurentide admittedly occupies a strategic position in the St. Maurice Valley paper field. It is therefore obvious that the company probably received offers during the past year and will probably still continue to receive offers from time to time.

Some of those who are acquainted with the situation which exists in this area feel that the St. Maurice Valley Corporation is no longer interested in Laurentide for the large holding company now has its Anticosti timber limits which it is bound to utilize under the terms of its contract with its subsidiary, the Anticosti Corporation. Therefore, it is felt that the acquisition of further limits on the St. Maurice River is of little interest to the St. Maurice Valley Corporation at present.

This leaves the International Paper Company as a possible purchaser of the Laurentide property. No doubt the larger company would be interested in acquiring the Grand'mere producer, but it is said that the price which the Laurentide management asks for the property is more than International Paper would care to pay.

In any event, it can be seen that if the Laurentide Company has again received an offer — and there is no real information which would confirm this rumor—it is probably no new experience for the management and an experience which probably will recur ofttimes in the future before a deal is finally arranged—if it ever be arranged.

The Greenshields Review

The new February issue presents a detailed analysis of financial and commercial conditions and their bearing on the probable course of the investment markets.

If you are an investor this issue of the Review will be of very direct interest to you.

A copy will be sent on request.

Write to Dept. 4

Greenshields & Co
Members Montreal Stock Exchange
17 St. John St., Montreal
also Mount Royal Hotel Building
TORONTO 14 King Street E. — OTTAWA 46 Elgin Street
QUEBEC 80 St. Peter Street
75

FOLKS and Finance

"HUMAN psychology plays no small part in the stock market," says Murray Williams, Montreal stock broker, in his market letter. "We notice especially at this time the working of the investment mind in relation to stocks such as Montreal Power, Shawinigan, Quebec Power, Price Bros. and others—stocks yielding 2 per cent. less than Victory bonds. These investments compare with standard issues in the States such as Consolidated Gas, Columbus Gas and Public Service of N.J., which yield from 5 to 6 per cent. It is only reasonable to suppose that the very high Canadian stocks will sell considerably lower when the trend of the market turns downward. Why, then, do not investors sell and make a profit by purchasing their stocks back more cheaply? This question we propounded to a holder to-day. He replied "I am afraid to sell, I might never get my stock back." It was suggested to him that he was selling at an abnormally high price and that even if he could not get his own stock back there were other good bargains always available. The suggestion was not popular—the idea that he could get a 6 per cent. investment in place of a 2½ per cent. yield was not popular. "No," he said, "I'm afraid to sell." And in saying that he was the answer to the problem of why the stocks sell so high. The writer was in New York last week. He found a number of students of the situation marvelling at the dizzy heights to which Canadians force their stocks. "I should think," one of them said, "You would drive a lot of your money into this country where you can get a decent return on your investment funds." This, of course, is happening. A lot of Canadian money is finding its way into Wall Street."

City of Winnipeg, Man.

4½% Gold Bonds

Dated Oct. 1, 1926 — Due Apr. 1, 1940

Principal and half-yearly interest payable in Toronto, Montreal, Winnipeg or New York.

Denomination: $1,000.

Winnipeg, the third largest City in the Dominion, is the gateway between Eastern and Western Canada, and is an important financial, commercial and distributing centre. The City is strong financially, its Sinking Fund averaging $813 for each $1,000 bond outstanding.

Price: 97.53 and interest, yielding 4.75%.

Fully descriptive circular will be gladly furnished upon request.

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News of Investment Markets

PROVINCIAL BOND OFFERINGS REFLECT MARKET STRENGTH

The Demand and Cheaper Money Bring Out Many Issues

Numerous offerings of industrial and foreign government bonds during the past week or two, have tended to overshadow the importance and extent of new financing by the various provincial governments of Canada. From the beginning of the year to date, every province in the Dominion, with the exception of Nova Scotia, Quebec and Prince Edward Island, has made a bond offering, and the amount of money raised in this manner is roughly estimated at between $36,000.000 and $40,000,000.

This is an unusual showing at this time of the year; in fact it is unprecedented, but the reason is not far to seek. For some time past there has been a marked scarcity of gilt-edged securities. The Dominion Government failed to do any financing last year and this was reflected in the strong undertone of the market at the end of the year. An issue of $6,000,000 British Columbia early last month brought keen bidding and the cost to the province was so low—under 5 per cent.—that the other provinces immediately decided to issue bonds, either for refunding, highways or general purposes.

Numerous Offerings

Since the British Columbia issue, Alberta has made two offerings of 15 and 30 years, Saskatchewan, Manitoba, and Ontario each one of 30 years, and New Brunswick one of 20 years. In all cases the bonds bore interest at 4½ per cent., with the exception of that of New Brunswick, which carried interest at 4¾ per cent. They were all well received by the dealers, and while the cost to the different provinces varied somewhat, it is interesting to note that the securities were sold to the public at a price to yield from 4½ to 4.80 per cent.

It might be thought that this extensive financing would tend to cause a softness in the market for these securities, but such has not been the case. The fairly prosperous conditions of the Dominion has made available large sums of money for investment, probably more than at any other time in the past decade, and new offerings appearing on the market have been quickly sold.

Although several issues have been offered to the public during the past week, inquiry among dealers discloses the fact that they are not adverse to undertake any further municipal financing, in view of the unlikelihood of the Dominion Government putting out any new issues for some time to come. at least until possibly about the first of November when some refunding will probably be undertaken.

Toronto Hockey Club Purchase is Financed

The unsold balance of the common stock of the newly-formed Toronto Maple Leaf Hockey Club, Ltd., is being offered to the public by Campbell, Stratton & Co., and E. W. Bickle & Co. The issue and sale of these shares is made in order to provide funds to be used in connection with the purchase of the St. Patrick's professional hockey club, including all its players, franchise in the National Hockey League and equity in the funds of the league.

The spread of professional hockey has been of considerable interest to the public in the past two years, and the incorporation of new clubs and buying and selling of players has come to involve financing on a scale which places this sport in the big business class. Controlling a professional hockey club is no longer looked upon as being the sport of a rich man, and the roster of shareholders of some clubs now looks like that of an industrial enterprise.

Details of the issue follow:

Maple Leaf Hockey Club

Capital—Authorized 25,000 shares; issued, 21,000 shares of $10 par value.

Business—Professional hockey in the National League.

Assets—Entire assets of St. Patrick's Professional Hockey Club, Ltd., its franchise in the National Hockey League, the contracts with Arena Gardens of Toronto, and the players.

Franchise—Estimated to be worth $50,000. No franchise can be granted to another club to play in this League in Toronto without the consent of the Toronto Club.

Management—Arrangements have been made for a prominent hockey coach to take over management and coaching of the team.

Sold by—Campbell, Stratton & Co., and E. W. Bickle and Co., at a price of $10 per share.

Plans on Foot to Erect 1,000-car Garage in Toronto

Preliminary negotiations are under way for the erection of a garage in Toronto that will accommodate one thousand cars.

The deal for the land is not completed yet, but if it goes through it will be the biggest venture of its kind ever attempted in Toronto. Stewart, Scully & Co. are handling the deal and, while there will be nothing definite to announce for some time, it is admitted by them that the proposition is rounding into tangible shape and, provided no setbacks occurred, Toronto will be assured of such a garage as mentioned.

The site of the proposed garage faces on Adelaide Street, just west of Bay Street, and will extend south almost to King Street.

WATERLOO MUTUAL

Net Amount at Risk Amounts Now to $70,000,000

Yearly receipts, as shown by the annual report of the Waterloo Mutual Fire Insurance Co., total $606,812, of which $415,838 was received from premiums cash and fees, and $80,015 from mutual premiums. The net amount of insurance now standing at risk on the company's books is $69,800,538. The total assets are $1,630,512, consisting largely of debentures, and a small amount of real estate and mortgages. The cash balance over all liabilities is $1,075,361. The company has been in business now for 64 years and conducts the largest business of any purely fire insurance company in Ontario.

Two Types of Investment Trust; Both Diversify

Third Article of a Series on Investment Trusts and Their Place in Canada

By MACKENZIE WILLIAMS, of A. E. Ames & Co., Toronto, Copyright, 1927.

While there is considerable variation in the functions of individual trusts, as a whole they may be classified broadly into two main divisions. In the first division we would include those which are concerned with and which devote their attention almost exclusively to the purchase of interest or dividend bearing securities of a widely diversified character, both domestic and foreign. Their revenues are almost exclusively obtained from the income from such securities. Their chief concern is the selection of securities of a thoroughly sound nature complying with strict provisions which will protect the principal and from which their revenues may be obtained with which to pay interest and dividends on their own outstanding securities. It stands to reason that if securities are skilfully selected in growing industries or where general improvement is taking place, that the probability of principal appreciation over a term of years will also be present in a good degree. The essential function of this class of trust is investment. The very nature of this type of investment trust makes a broad appeal to the great mass of investors. Occasionally, the investment trust will confine its operation to one type of security, such as public utilities, or railroad or different classes of industrials, such as chain stores or bakery issues, etc., etc. The same observation applies also to the operation of the financial trusts following.

Financial Trusts and Functions

The second class of investment trusts should really be termed financial trusts. Their functions are mainly concerned with promotion and financing operations with the speculative purchase and sale of securities and with underwriting operations. Their character is essentially speculative as contrasted with the investment character of the first division. Their success depends almost entirely on the good judgment of the management. Broad chances must be taken. Usually, those interested in financial trusts are relatively few in number and are men of considerable wealth who well know the risks involved. The results attending this type of trust vary widely. Commitments are usually fewer in number, necessarily giving less insurance against losses. Great latitude must be allowed the management in its selection of suitable issues or as to the nature of its promotion or underwriting operations. The results are likely to be more erratic. A very small proportion of the income of financial trusts is derived from dividends or interest. Profits are derived mainly from the turnover of issues or transactions. When we examine the records of the results obtained by the various types of investment trusts and financial trusts, it is at once apparent that the most consistently successful have been those which operated on the most conservative lines. The more conservative the management, the more consistent have been the earning records. It is with the operations of the investment trust as contrasted with the financial trust that we are here chiefly concerned.

Purposes of Investment Trust

Perhaps the objects of the investment trust may be most clearly gathered by giving brief extracts from the Articles of Association of two companies which have been in successful operation for many years. The following extract is taken from the Articles of Association of the Investment Trust Corporation, Limited, because it is in many respects typical. This investment trust was incorporated in 1888. It paid dividends of 17 per cent. on its ordinary stock in 1923-24 and 19 per cent. in 1924-25. The purposes for which the Investment Trust Corporation Limited were formed are as follows:

(a) To raise money by share capital, and invest the amount thereof in, or otherwise acquire and hold, any bonds, stocks, obligations, or securities of foreign or colonial or British Governments, etc., or the bonds, debentures, debenture stocks, scrip, obligations, shares, stocks, whether preference or ordinary, and whether fully paid or not, or securities of railway and other companies, public works and undertakings incorporated or established by act of parliament, royal charter, or under the joint stock companies' acts in England or the colonies, or by state authority, or under the laws of any foreign country or state.

(b) To borrow or raise money by the issue or sale of any bonds, mortgages, debentures, or debenture stock of the company, or in any other manner to receive money on deposit at interest or otherwise, and to invest the amount so obtained in securities or investments of the kinds enumerated in the last preceding sub-section.

(c) To acquire any such securities or investments as before mentioned by original subscription, tender, participation in syndicates or like negotiations, or otherwise, and whether or not fully paid up, and to make payments thereon as called upon, or otherwise to acquire any such securities or investments in excess of the moneys for the time being proposed to be invested, and to sell or otherwise dispose of any excess thereof, to subscribe for the same, either conditionally or otherwise, and generally to sell, exchange, or otherwise dispose of any securities or investments of the company, acquired or agreed so to be, to invest or acquire by repurchase or otherwise, any securities or investments of the kinds before enumerated, and to vary the securities and investments of the company from time to time.

Another Memorandum of Association

The British Investment Trust Limited is a Scottish company with headquarters in Edinburgh. It was organized in 1889 and has been continuously successful. It paid good dividends regularly on its ordinary or common stock throughout the war period and

(Continued on page 16)

Porto Rican American Tobacco Company
6% Convertible Gold Bonds
Due January 1, 1942
The Company and controlled companies constitute the most important factor in the Porto Rican tobacco industry and their business is well established in the United States under well-known brands. We recommend these bonds to those desiring security and profit-sharing possibilities. Circular on request.
Price at market to yield about 6.10%
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We can offer to careful investors inside properties in Vancouver showing current interest returns on investment with exceptional prospects for future increase in value.
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5½% Convertible Gold Debentures
Due February 1, 1977
Price 95¾ and interest to yield 5.75%
Full particulars on application
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We recommend these securities as a thoroughly sound investment.
Price: 99.50 and Interest
To yield over 6½%
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A Successful Business Secures

Jones Bros. of Can., Ltd.

(Dominion Charter)

20-Year First Mortgage Sinking Fund Gold Bonds—Yield:

6½%

The issue herewith offered is secured by the assets of a company which, in 40 years, has become Canada's largest enterprise devoted to the manufacture and distribution of store fittings and barbers' supplies.

These facts indicate the strength and security of the issue:

Total net assets held against the issue equal $2,114.79 for each $1,000 of the issue outstanding.

Current assets are 8½ times current liabilities.

Sinking fund provisions are estimated sufficient to retire 90 per cent. of the issue by maturity.

1926 earnings equalled 3¾ times bond interest requirements, before provision for interest, depreciation and Federal taxes.

We recommend these bonds as a conservative investment.

Price: 100 and interest, to yield 6½ per cent.

Write for Full Details

Gairdner & Company, Limited

Telephone Elgin 2301. 312 Bay Street, Toronto 2, Ont.

Eastern Canada Loan Has Net Profits of $71,000

Somewhat smaller earnings of Eastern Canada Savings and Loan Company of Halifax, N.S., are not explained in the annual report. Net profits were $71,035 as compared with $75,000, and as in previous years, the active surplus over and above the $60,000 required to pay the 8 per cent. dividend was transferred to reserves.

Comparative figures follow:

Profit and Loss

	1926	1925	1924
Earnings	x$84,905	x$88,731	$190,983
Interest	......	......	78,310
Management	......	......	31,376
Taxes	10,507	11,717	10,472
Writ. off	3,363	2,014	5,603
	$ 13,870	$ 13,731	$125,761
	$ 71,035	$ 75,000	$ 65,222
Distribution—			
Dividends	$ 60,000	$ 60,000	$ 60,000
Res and cont.	11,035	15,000	5,222
	$ 71,035	$ 75,000	$ 65,222

xInterest and management deducted.

Nine Years' Record

Year	Paid-up Capital	xNet Profits	% on. Cap.	Div.	†Earn. Rate
1926	$750,000	$71,035	9.4	8	6.7
1925	750,000	75,000	10.0	8	7.0
1924	750,000	65,000	8.7	8	6.1
1923	750,000	64,000	8.5	8	6.1
1922	750,000	64,000	8.5	8	6.1
1921	749,840	65,856	9.2	8	6.5
1920	600,000	59,303	10.6	8	7.4
1919	502,300	51,912	12.6	8	8.2
1918	375,000	43,426	11.7	8	7.6

xLess amount written off.
†Per cent. capital, reserve and balance at beginning of year.

Taxes, W. A. Black, president, reports, took 12½ per cent. profits or 1½ per cent. of paid up capital. Debentures and deposits increased by $56,500 during the year, now totaling $1,759.930.

Debenture Company Earns 10.3% on Stock

Both paid-up capital and profits of Debenture Company of Canada, Regina, showed advance in 1926. Growth in capital, however, outpaced growth in profits and earnings were only slightly over the 1 per cent. dividend requirements. Reserve was brought to $30,000, equivalent to about one-twelfth of paid up capital.

Comparative figures follow:

Profit and Loss

	1926	1925	1924
Earnings	$ 36,343	$ 30,613	$ 26,337
Income tax	2,575	2,555	1,594
Net profits	$ 33,768	$ 28,058	$ 24,743
Distribution—			
Dividends	$ 31,705	$ 24,666	$ 20,172
Reserve	3,181	4,170	2,685
	34,886	28,836	22,857
Balance	x$1,118	x$ 778	$ 1,886
Prev. bal.	1,647	2,426	540
P. & L. bal.	529	1,648	2,426

xDebit.

Eight Years' Comparison

Year	Paid-up Capital	Profits	Div. A.	% Prof. Cap.	xEarn. Rate
1919	$48,646	$ 3,629	10	10.3	7.2
1920	77,243	5,705	10	9.8	7.1
1921	114,986	9,824	10	10.1	7.8
1922	148,480	13,549	10	10.3	8.3
1923	186,585	15,890	10	9.8	7.9
1924	223,658	24,743	10	12.3	10.1
1925	279,681	28,058	10	11.4	10.2
1926	354,250	33,768	10	10.6	9.7

xPer cent. capital, reserve and balance at beginning of year.

Dominion Chocolate Co. Makes Operating Profit

It is learned Dominion Chocolate Co., Toronto, is making an operating profit but that the probability of payment of dividends on arrears is remote. The shareholders a year ago authorized the issuance of $100,000 of debentures senior to the preferred stock but so far no portion of these debentures have been issued. It is expected that about $20,000 of these debentures will be offered investors shortly.

Severe competition in the chocolate manufacturing business is responsible, it is said, for the difficult position of the company in the last several years. The company manufactures chocolate bars and chocolate coating for the wholesale and retail manufacturers of bon bons and candies. Competition has been especially severe since the business depression which was serious in 1922 and in some degree since. There are no liens or mortgages on the company's plant, which is said to be modern and efficient. The position has improved somewhat in recent months due to elimination of a portion of the overhead expense. The sales policy of the company is apparently able and aggressive.

Wabasso Cotton Shares Now Pay $6 Annually

From Our Own Correspondent

MONTREAL.—The market appreciation in the shares of Wabasso Cotton, coupled with the bonus of 50 cents per share during the last two quarters, indicates that the company is now definitely on a $1.50 quarterly dividend basis.

While many of the cotton textile companies during 1926 experienced some reduction in earnings, as compared with 1925, Wabasso installed additional machinery for its new products, "Wacosilke," and several other lines of colored cotton goods. The regular output consists of fine white cottons of all kinds. Because Wabasso makes only high-grade textiles, is perhaps the reason why it has not experienced the same keen competition as has affected some of the other cotton companies during the past year. Operations of the company are expanding both in its cotton and rayon silk departments. The success with which the company is meeting gives perhaps added significance to the proposal to authorize an additional 70,000 new shares of stock, and it is said that eventually shareholders will be given the right to subscribe to new stock prices below market quotations.

Real Estate Loan Net Profits Show Increase

Real Estate Loan Company, by a small increase in profits and a decrease in expenses, was able to show a somewhat larger surplus in 1926.

Dividend of 7 per cent. was earned with $5,384 to spare. Comparative figures follow:

Year	Paid-up Capital	Profits	% Av. Cap.	Div. Rate	xEarn. Rate
1918	$500,000	$38,681	7.7	7	5.0
1919	500,000	35,017	7.0	7	4.8
1920	500,000	38,862	7.7	7	5.4
1921	500,000	46,200	9.2	7	6.1
1922	500,000	41,039	8.2	7	5.3
1923	500,000	42,364	8.4	7	5.5
1924	500,000	35,178	7.0	7	4.5
1925	500,000	36,706	7.3	7	4.7
1926	500,000	40,384	8.0	7	5.2

xPer cent. capital, reserve and balance at beginning of year.

SHAWINIGAN HAS COMPLETE REVIEW IN ITS REPORT

Tremendous Increase in Earnings—President's Remarks Hold Great Interest

From Our Own Correspondent.

MONTREAL.—Shareholders of the Shawinigan Water and Power Company can congratulate themselves on the annual report of the company for the year 1926 both from a larger earnings standpoint and because they hold shares in one of the few companies in Canada which takes the trouble to give its shareholders a clear and concise idea of its operations. Many investors feel that the remarks of the president to the shareholders contained in the report, which adequately reviews the whole situation surrounding Shawinigan, might well serve as a model to other companies. The report clearly outlines not only the situation affecting the company, but also all the activities of Shawinigan in the various fields which it serves. At the annual meeting also, the president amplified the remarks in the report.

Figures Show Big Increase

The satisfactory results obtained during the year are revealed in the following figures which compare the income account and working capital figures for the past three years:

	1926	1925	1924
Gross earn.	$7,660,207	$6,702,034	$5,741,079
Op. exp., etc.	3,243,140	3,001,157	2,420,528
Net op. rev.	4,417,067	3,700,876	3,320,551
Bond int.	1,459,743	1,334,537	1,274,652
Deprec.	350,000	350,000	350,000
Net inc.	2,607,324	2,016,339	1,695,899
Dividends	2,050,000	1,676,250	1,400,000
Surplus	557,324	340,089	295,890
xPrev. surp.	251,535	308,157	229,070
Total	808,859	648,246	524,969
Res. & S.F.	50,000	50,000	50,000
Fire in res.	....	20,000	20,000
Pen. Fund	....	5,000	5,000
P. & L. bal.	758,859	573,246	449,969

xAfter adjustments.

Working Capital Position

	1926	1925	1924
Cur. assets	$4,785,691	$4,614,379	$2,967,870
Cur. liabs.	1,594,718	1,216,285	1,317,892
Net w. cap.	3,190,973	3,398,085	1,649,978

Balance Sheet Changes

In the balance sheet, while there has been some increase in plant, property and machinery accounts, the transmission lines account shows an increase of over $3,500,000. Investments have increased by some $4,000,000 and total assets now stand at $63,774,279 as against $55,845,963 at the close of 1925.

Amongst the liabilities, the capital stock outstanding has been increased by $2,500,000 during the year and the outstanding bonds show an increase of about $3,300,000. Contingent and depreciation, reserves and surplus account show handsome increases.

At the annual meeting, J. E. Aldred informed the shareholders that after taking up the rights to new stock in the Quebec Power Company, the parent organization would hold 50,000 shares of this subsidiary. He assured the shareholders also that it was not the policy of the directors to paint the affairs of the company in glowing colors and remarked that the strength of Shawinigan is not entirely displayed in its balance sheet.

Operations Well Reviewed

The printed report reviewed the financial position of the company and its growth over the last twenty years. All the partly and wholly-owned subsidiaries received adequate attention and a resume of the company's construction activities was also included.

The printed report concluded with some remarks on the larger power contracts which the company holds, the revamping of the United Securities-Montreal Tramways situation and with the remark that "it seems probable that the increase in the capacity of paper mills, and the consequent increased demand for power by that industry, may reach a peak in 1928, and that some years thereafter the development in the paper industry may consist principally of improvements in existing mills. As far as this company is concerned, this trend may involve a demand for smaller amounts of additional power. There is, however, an increasing demand for power for use in other industries and the general industrial conditions in this province will be better stabilized when the power demand becomes more diversified in the future."

This Week's Bond Sales

Essex Border Utilities

The Essex Border Utilities Commission has sold an issue of $250,000, 5½ per cent., 30-instalment bonds to Fry, Mills, Spence & Co., and the Canadian Bank of Commerce at 102.268.

Brockville Sells Bonds

Brouse, Mitchell & Co. were the successfull tenderers for an issue of $99,000 5 per cent. ten-instalment bonds of the town of Brockville, Ont., at 99.92. Tenders follow:

Brouse, Mitchell & Co.	99.92
Royal Securities Corp.	99.81
Dyment, Anderson & Co.	99.77
R. A. Daly & Co.	99.76
Wood, Gundy & Co.	99.70
McLeod, Young, Weir & Co.	99.42
C. H. Burgess & Co.	99.347
Fry, Mills, Spence & Co.	99.29

Tenders and By-laws

March 1. County of Ontario—$25,500, 5%, 20-instalment debentures. E. A. McKay, County Treas., Whitby.

Dunham—$25,000, 5½%, 20-instalment bonds.

Unlisted Bonds

	Bid	Asked
Algoma Steel 5s, 1962	80	82
Brandram Henderson 6s, 1939	80	88
Burns, P. Co. 6½s, 1943	103	..
Calgary Brewery 5s, 1942	87	90
Calgary Power 5s, 1940	92	94
Canada Lt. & Pr. 5s, 1949	93⅞	95¼
Can. Car & Fdry. 6s, 1939	103	106
Can. Steamships 5s, 1943	99	..
Davies, Wm., 6s, 1942	92½	94
Dominion Iron 5s, 1939	29	33
Dominion Textile 6s, 1949	105	108
East Kootenay Pr. 7s, 1942	102½	..
Elev. Development 5s, 1933	99½	100½
King Edward Hotel 7s, 1944	90	92
Laurentian Pr. 6s, 1936	102½	104
Laurentide Pr. 5½s, 1946	101½	103
Maple Leaf Mfg. 6½s, 1943	102½	105
Maritime Tel. & Tel. 6s, 1941	105	108
Manitoba Pr. 5½s, 1951	99⅝	99¾
Mercury Mills 6½s, 1943	100½	102
Mont. L. H. & Pr. 5s, 1951	99⅝	100¼
Mont. Pub. Service 5s, 1942	96½	98½
Nor. Can. Pr. 6s, 1945	101¼	103
Nor. Ont. L. & P. 6s, 1946	100	102
Nor. West. Utilities 7s, 1938	99¼	100½
Nova Scotia Steel, 6% Debs.	30	35
Nova Scotia Tram. 5s, 1946	91	93
Nova Scotia Tram. 7s, 1952	98	100
Ottawa L. H. & Pr. 6s, 1953	103	105
Ottawa Riv. Pr. 6½s, 1953	102½	104
Ottawa Mont. Pr. 6½s, 1949	102½	104
Ottawa Trac. 5½s, 1955	100¾	102
Prov. Lt. & Pr. 5s, 1946	99½	101¾
Quebec Pr. 6s, 1953	105	107
Shawinigan W. & P. 6s, 1950	103	..
Simpsons, Ltd., 6½s, 1945	102½	104
Southern Can. Pr. 5s, 1955	97	..
Spanish River P. & P. 8s, 1941	196½	..

People's Loan and Savings Profits Show Small Drop

People's Loan and Savings Corporation, of London, Ont., showed but small change in earnings in 1926. After paying dividends and bringing surplus to $100,000, there was a debit against previously accumulated surplus of $44.

Comparative figures follow:

Profit and Loss

	1926	1925	1924
Profits	$ 29,852	$ 20,686	$ 31,788
Written off	396	334	1,168
	$ 29,456	$ 30,352	$ 30,620
Distribution:			
Dividends	$ 27,500	$ 27,500	$ 27,368
Reserve	2,000	3,000	5,000
	$ 29,500	$ 30,500	$ 32,368
*Balance	44	148	1,748
Prev. Balance	2,697	2,845	4,593
P. & L. Balance	$ 2,653	$ 2,697	$ 2,845

*Debit.

Ten Years' Record

Year	Paid-up capital	xProfits	Div.	% cap.	†Earn. rate
1926	$500,000	$29,456	5½	5.9	4.8
1925	500,000	30,352	5½	6.0	5.0
1924	500,000	30,620	5½	6.2	5.2
1923	496,246	31,447	5¼	6.4	5.4
1922	496,008	31,693	5	6.4	5.5
1921	494,101	29,229	5	5.9	5.2
1920	489,388	28,393	5	6.0	5.2
1919	486,720	31,654	5	6.6	5.9
1918	482,954	30,322	5	6.3	5.9
1917	480,877	29,855	6	5.3	5.9

xLess amount written off.
†Per cent. capital, reserve and balance at beginning of year.

Investments in the debentures of the corporation have increased from $158,995 to $207,315.

MONTREAL LOAN
Increased Profits Shown in 69th Annual Report

An increase in profits is shown in the sixty-ninth annual report of the Montreal Loan and Mortgage Company, with net for year ended December 31, 1926, standing at $86,490, as compared with $85,957 in 1925 and $85,319 in 1924. Previous balance was brought forward at $39,076, making a total available for distribution of $125,566. From this was deducted dividends for the year amounting to $78,000, being four quarterly payments of 3 per cent. and a bonus of 1 per cent., leaving a profit and loss in the statement under review at $47,566.

F. H. Blakely C. E. Bowden

F. H. BLAKELY & CO.

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G. T. DEBENTURES TO BE REPLACED

Complete absorption of Grand Trunk Pacific by the Canadian National Railways, will be permitted by the passing this week of legislation to make effective the agreement between the holders of the 4 per cent. debenture stock of the Grand Trunk Pacific and Canadian National. This was a stock issue of £10,000,000 by the Grand Trunk Pacific and guaranteed by the Grand Trunk. Of this, £7,176,801 was placed in England and the remainder has been carried by the Dominion Government.

After this issue, the Grand Trunk Pacific went into receivership and was taken over by the government. Under the new agreement, there is a new stock issue to replace the £7,176,801 held in England. This new issue will carry 2% interest and another 2% per annum will be placed in a sinking fund for redemption of the new stock issue.

Acadia Trust Company Has Successful Year

From Our Own Correspondent.

MONTREAL.—At the annual meeting of the Acadia Trust Company, held at the head office in Truro, Nova Scotia, the financial statement submitted showed a substantial increase in the company's business and a notable strengthening of its financial position. The assets at the close of the year reached the total of $590,000, which, with an estate and trust fund of $1,521,354, made total assets of $2,112.155. During the year, $100,000 was placed to reserve account and the total of reserves and undivided profits now stands at $385,901. The profit and loss account shows earnings for the year to be slightly in excess of 1925. At the annual meeting, satisfaction was expressed at the progress of the company and its policy of continuing to strengthen its financial position and confining its business to strictly trust company lines.

The Quebec government is being urged to further efforts to secure a hold on the English market for Quebec-grown tobacco.

We recommend

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Quebec Railway 5's....1939
St. Maurice Power 6½'s 1953
Wayagamack 6½'s....1930
Wayagamack 6's....1951
Montreal Tramways 5's 1941
Montreal Tramways 5's 1955
Montreal Public Service 5's....1942
Windsor Hotel 6½'s....1943
Laurentide Power 5½'s. 1946
Duke-Price Power 6's..1966
Manitoba Power 5½'s..1951
Gatineau Power Co. 5's. 1956
Gatineau Power Co. 6's. 1941
Anticosti Corporation 6½'s....1941
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BOND MOVEMENTS OF THE WEEK

Week Ending February 15

Bonds—	Int. Rate	Due	Yield	Range, 1926 High	Range, 1926 Low	Range, 1927 High	Range, 1927 Low	Ask	Bid	Latest Price High	Latest Price Low
Asbestos gen. mtge.	6	1956	6.51	88¾	81¼	94½	88	92½	92¼	93¼	92¼
Can. Canners	6	1950	6.16	100	94	98	96½	100	98	98	..
Can. Cement	6	1929	5.18	103	100½	102¼	100½	102	101¼	102¼	..
Can. Cottons	5	1940	5.28	99½	95	97¼	97	..	97¼	97¼	..
Cedar Rapids	5	1953	5.06	101½	98⅛	101	99	99	..	99½	99
Dom. Rubber	6	1946	5.78	103	100	102½	102½	..	102¼	102½	..
Montreal Power	5	1933	5.02	99½	99½	100	99½	..	..	99⅞	..
Montreal Trams. "A"	5	1955	5.20	95	93	97¾	94¼	..	96⅝	97½	96½
Do., 1st mtge.	5	1941	5.04	98⅛	93	99½	98¾	99¾	99⅜	99½	..
Quebec Rly.	5	1939	5.16	100	91⅞	99½	96	..	98½	98½	98
Steel of Can.	6	1940	5.80	107½	106	107½	106⅞	..	104	106⅞	..
Wayagamack	6	1951	6.03	100⅝	90	100	98½	99½	..	99½	98½
War Loan	5	1931	4.66	102.40	100.35	101.85	101.00	101.60	101.50	101.60	101.30
Do.	5	1937	4.53	104.65	102.75	104.20	102.90	104.00	103.40	104.10	103.70
Victory	5½	1927	4.30	102.50	100.15	101.00	100.40	100.85	100.70	100.85	100.55
Do.	5½	1933	4.68	106.35	103.20	104.80	104.00	104.25	104.00	104.65	104.10
Do.	5½	1934	4.90	104.40	102.65	104.05	103.15	.....	103.90	103.90	103.75
Do.	5½	1937	4.62	109.30	106.70	108.00	106.90	107.20	106.80	107.85	106.90
Do., renewal	5½	1927	4.98	101.95	100.00	100.80	100.40	100.75	100.55	100.55	100.40
Do., "	5½	1932	4.91	103.85	102.00	103.25	102.45	103.35	103.10	103.10	102.90
Do., refund	5	1928	4.90	101.35	99.00	101.00	100.00	100.95	100.65	101.00	100.65
Do., "	4½	1940	4.64	96.95	95.60	98.70	96.60	98.45	98.30	98.50	98.30
Do. "	5	1943	4.76	102.80	101.10	103.00	102.40	102.75	102.65	102.60	102.45
Do. "	4½	1944	4.60	97.15	98.75	98.85	96.60	98.45	98.40	98.85	98.45
Do. "	4½	1946	4.62	96.90	95.65	98.60	96.70	98.45	98.30	98.45	....

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Brockville	Feb.	Brouse, Mitchell & Co.	5%	10-ins.	$99,000	99.92	..
Essex Border Utilities	Feb.	Fry, Mills, Spence & Co. and Bank of Commerce	5½%	30-ins.	250,000	102.268	5.30

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Can. Rayon Pulp	Feb. ($200,000)	Fidelity Securities Corp., remainder in U.S.	7%	15-yr.	$ 750,000	100	7%
Fairbanks, Morse & Co.	Feb.	Kerr, Flemming & Co. and U. S. Syndicate	5%	1942	8,000,000	97½	5¼%
Aluminum Comp.	Feb.	Dom. Securities and U. S. Syndicate	5%	....	60,000,000	....	....

Insurance for Buyer and Seller

TELLS PROGRESS OF 50 YEARS IN LIFE INSURANCE

G. D. Finlayson Recounts Achievements of Companies

The fiftieth anniversary of the establishment of the Department of Insurance at Ottawa, is the subject of considerable comment, by G. D. Finlayson, in his annual report on Canadian life insurance companies, published recently.

If any insurance man is looking for a good spring tonic, we suggest that he peruse Mr. Finlayson's report, and get some idea of the enormous growth that has been going on in Canadian life insurance during the last fifty years. Not satisfied with doubling its past record every ten years since 1875, the business trebled itself in the decade which closed on Dec. 31, 1925. There is now available a complete record of a half century's supervision of insurance companies in this country, and a survey is made, not only of the growth of life insurance business in Canada, but also of payments to policyholders and of the growth of Canadian companies.

The progress made by the life insurance business since 1875, show that, whereas in that year there were $85,000,000 of insurance in force in Canada, at the end of 1925 the total was $4,159,000,000. Add to that the $815 000,000 written in 1926, and the total falls but a few millions short of the 5 billion dollar mark. New business written between 1916 and 1925 totaled nearly $5,000 000,000, which is more than three times the amount written in the preceding ten years. Looking back over the fifty-year period it appears that we are now writing more insurance in a month than we wrote in any one year up until 1900, and still there is no sign of a let-up.

Yearly Average Half Billion

Our yearly average over the past ten years was a little short of $500,000,000, and in 1926 we wrote about $815,000,000 of new business.

To Canadians, the most interesting figures will be those which deal with the growth of the Canadian companies. Not only have the number of Canadian companies grown remarkably, but each year Canadian companies seem to write an increasingly larger share of Canadian business. In 50 years, while the number of British companies operating here have actually decreased, and foreign companies have added but three to their number, Canadian companies have increased from 7 to 28. In the last ten years, these 28 Canadian companies wrote nearly two-thirds of the new business and in 1925 they increased this to 85 per cent.

Impressive Business Outside

When the business of Canadian companies outside of, as well as in Canada, is taken into consideration, the figures are still more impressive. In 1875 the percentage of capital to total assets was 19.3 per cent. In other words assets were about five times the capitalization of the companies doing business. For the last ten-year period this figure has shrunk to .09 per cent. so that now the companies' assets are more than 100 times as great as their capitalization. Premiums received since 1875 have practically trebled every ten years since 1875, as have the total assets. In fifty years over $14,000,000 has been paid out in dividends to shareholders, of which nearly $8,000,000 was distributed since 1916. Mr. Finlayson particularly mentions the fact that the payments already made to, or held in reserve for, policy holders, exceed the total premiums received. Furthermore he points out that the companies have $113,000,000 of assets, over and above actual reserves, surplus and shareholders' capital, which are mainly held as provision for payments actually or contingently due to policyholders and will eventually be paid to policyholders.

During the fifty years under review, not one Canadian, and only four other companies were liquidated, the total liabilities of which, amounted to about $800,000. In the same time 18 companies were either merged, amalgamated or reinsured, of which 11 were Canadian.

Reserves Higher Than Needed

Regarding changes in reserve bases. Mr. Finlayson submits a table showing the bases of reserve maintained by the companies throughout the fifty years, and points out that a substantial number of companies have been maintaining reserves during the last two decades in excess of the statutory basis. This is due, largely, to guarantees made by the companies on old policies at rates higher than those now required.

At the recent meeting of the Canada Colonization Association's agents, it was shown that of the 3,000 overseas families which are coming to Canada during 1927 to be settled under the auspices of the Association, the largest percentage are to be settled in Saskatchewan.

1,300 Times as Big

Speaking of fifty years' growth, T. B. Macaulay, president of the Sun Life, remarked in his annual address the other day, that his company was exactly 1,300 times as big today as it was in 1876.

Sun Life Pays Over 5½% on Money Left Invested

Further evidence of the way in which insurance companies are looking after beneficiaries was contained in the annual address of T. B. Macaulay, president of the Sun Life Assurance Co. Mr. Macaulay said:

"If the whole or any part of the sum payable under a death claim or matured endowment be left with us on more or less permanent deposit we allow on it the same rate of interest as we allow to our living policyholders in our calculation of their profits. That rate is at present 5½ per cent. In other words, we guarantee 3½ per cent. and allow an additional 2 per cent. as their share of the profits. We go further. As such a large proportion of our earnings come from long-term investments, it is but right that money which has been left with us for a long time, either in the form of reserves during the currency of the policies or in the form of deposits after their maturity, should be specially favored. In the readjustment of our profit scale for next year, it is proposed to allow a slightly higher rate than even 5½ per cent. between the fifth and tenth years, yet a little more between the tenth and fifteenth and still a little more afterwards. Reserves on current policies and insurance money left with us are placed on exactly the same footing and we are thus able to solve for our policyholders and their beneficiaries the problem of how to invest the assurance money."

Security Life Writes Smaller Business Total

The annual statement of the Security Life submitted to its share and policyholders this week, shows an increase in the amount of insurance in force at the end of the year, but a decrease in the amount of new business written in 1926 The company now has in force a little more than $10,000,000 of insurance, and during the year wrote $2,979,800 of new and revived business. Premium income from new business was slightly lower during the year, but total premium at $241,937 shows an increase over 1925. The company's assets are $901,687, of which $420,247 are bonds and debentures, carried at book value; $173,638 are mortgages on real estate and $110,794 in loans on company's policies. The company's surplus shows a decrease for the year and now stands at $54,321 as against $107,147 in 1925. This reflects an added impairment of capital, as the statement does not include its capital stock among its liabilities. One encouraging feature of the company's statement is that in the past year it has decreased the amount of real estate mortgages carried on its books and has made a corresponding increase in its bond and debenture investments. Arvila De Cary has been added to the board of directors.

Fidelity Opens Branch

MONTREAL.—The Fidelity Insurance Company of Canada has opened a Montreal office to handle business in the province of Quebec. The branch will be in charge of D. G. Peters, who was formerly located in Saint John, New Brunswick. For eight years prior to coming to Montreal, Mr. Peters specialized in casualty and surety insurance in the Maritime territory.

T. Eaton Life Sells $3,121,000 of Business

It is just a year ago that T. Eaton Co. began selling life insurance through the mails and, according to the first annual report just issued, the experiment is proving extremely successful. The T. Eaton Life Insurance Co. has been in business now for six years, but until last year the business done by the company was entirely among its own employees, so that the 1926 figures include for the first time the figures of both the new and old type of business. The total amount of insurance written by the company in 1926 amounts to $3,121,823 and brings the total amount in force up to $9,298,991 at the end of the company's fiscal year. Since that date the company reports that this latter figure has reached the $10,000,000 mark. The company's business among its own employees is almost entirely non-participating, but the new mail order business has been written chiefly on a participating basis and has been in the following proportions: Limited payment, 52 per cent.; whole life, 18 per cent., and endowment insurance 29 per cent.

The company's total assets stand at $1,060,742, of which $599,968 is invested in bonds and debentures, and $336,937 in real estate mortgages. The company earned 6.40 per cent. on its investments. During the current year the company added $18,445 to its surplus account, which now stands at $197,744. In addition there is a contingency reserve of $60,000. The reserve against policies in force amounts to $695,245. Premium income for the year amounted to $290,517.

WRITE $22,000,000

Portage la Prairie Farmers Mutual Writes Smaller Total in Year

The Portage la Prairie Farmers' Mutual Fire Insurance Co. wrote $22,152,382 of new business during 1926, which brings their total amount of business in force to $64,655,416. Although the company did not write quite as much new insurance as in 1925, the total amount of insurance in force shows an increase and the company improved their financial position by adding to their surplus account, which now stands at $1,123,360. Claims to the extent of $183,259 were paid to policyholders during the year, of which $164,000 was for fire claims, $10,498 for lightning and $3,910 for windstorm. The number of fire claims for the year decreased, although the total amount was higher than in 1925. This is due to the very dry and windy weather which prevailed during the earlier part of the year. Collections are reported by the company to be in excellent shape.

Saskatchewan Life Business Grows

The year just ended has been a satisfactory one for the Saskatchewan Life Insurance Co., which reports that insurance in force at the end of 1926 amounted to $9,335,743. The company has assets amounting to $1,232,836, and the rate earned on the company's investments was 7.20 per cent., all the investments being in Saskatchewan securities. Surplus and special funds amount to $194,104.

Western Empire Life Writes $2,000,000

The fifteenth annual report of the Western Empire Life Assurance Co., issued from Winnipeg, records that policies issued and revived during the year amount to $2,001,897 and that the total amount of insurance in force at the end of the year is $8,483,051. The total net income for the year was $429,772, being a 35 per cent. increase over 1925. Expenses of management, etc., were slightly more than in 1925 and payments to policyholders were $26,853. The company's assets are now $1,109,055, of which $989,532 are invested assets. The company's net surplus over and above capital and other liabilities, amounts to $8,365. William Smith, president and managing director, emphasized the growth made in the last five years, and pointed out that the company has been paying dividends to its policyholders regularly since 1917.

Sovereign Life Business In 1926 Was $5,000,000

The annual report of the Sovereign Life Assurance Co., with head office in Winnipeg, shows another satisfactory year for that company. New business written during the year amounted to approximately $5,000,000, which is a substantial increase over last year, and the total insurance now in force is $21,691,538 as against $18,819,950 in 1925. The company is in good financial position, its surplus to policyholders, above capital, reserves and other liabilities, amounting to $160,983. The company's assets stand in the balance sheet at $3,792,514, of which more than $1,500,000 are invested in bonds and debentures, and $1,224,475 in real estate mortgages. The rate of interest earned on the company's invested funds was 6.90 per cent.

THE
Western Empire
Life Assurance Company
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701 Somerset Building
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Branch Offices:
CALGARY VANCOUVER

Insurance
OF ALL KINDS
TRANSACTED

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Corner Place d'Armes & St. James St.
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Tel. HArbour 3292-3-4-5-6-7

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. GEORGE
Superintendent of Agents

CONSIDER THE WOMAN!

The age of chivalry required the "goodly knight and true" to aid the female in distress.

The age of reason suggests that the most chivalrous thing is to prevent that distress.

Yet after focusing their attention in their youth on creating a home and caring for children, 90% of the widows of this continent find themselves in their failing years dependent for subsistence on their own efforts or on charity.

Is it chivalrous? Is it fair?

SUN LIFE ASSURANCE COMPANY
OF CANADA
Head Office: Montreal

THE MONARCH LIFE
IS A
GOOD COMPANY
Provincial Offices: Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE, WASHINGTON
Head Office for Canada: HAMILTON, ONTARIO
Writing Fire Insurance at Cost Assets $3,118,764.07
ALL POLICIES DIVIDEND PAYING AND NON-ASSESSABLE.
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Toronto, Ottawa, Vancouver, Victoria, Edmonton, Saskatoon, Winnipeg, Montreal, St. John, Halifax, and Charlottetown.

BRITISH EMPIRE
Underwriters' Agency
Head Office - Toronto
FIRE and AUTOMOBILE
INSURANCE

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$87,000,000.00
Policies Issued from $1,000 to $5,000
G. E. BAILEY, Secretary — W. H. HUNTER, President — ALEX. STEWART, Treasurer

You Insure a FIRE-PROOF Building; So—

—why delude yourself into thinking you have no need for Credit Insurance, even though you have a highly efficient Credit Department?

Prudent men insure *fire-proof* buildings, when statistics show that only about 15% of such buildings *can be* destroyed—the other 85% being self-protected.

In your credit accounts, however, there is no assurance of any sort that the maximum loss will be only 15% of the capital invested.

CREDIT INSURANCE

can entirely safeguard you against the consequences of unexpected, abnormal credit loss or losses—whether the amount be 15% or 50% of your capital.

Thousands of representative Manufacturers and Jobbers in every line already realize this, and carry our Credit Insurance. Share their peace of mind and security. Get the additional benefit of our time-tested Collateral Collection Service.

CANADIAN DIVISION
The AMERICAN CREDIT INDEMNITY COMPANY
of New York — J. F. McFadden, President
R. J. MULLEN, General Manager for Canada,
Toronto Office, 1702 Metropolitan Bldg. Phone: Main 4316
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KR899

The NORTHERN
LIFE ASSURANCE COMPANY OF CANADA
Good insurance salesmen can always find a place with our growing organization. Write for full particulars.
Head Office: London, Ontario.

77th Annual Statement

Ætna Life Insurance Company

Hartford, Conn.

Morgan B. Brainard, President

Capital Stock $10,000,000

(*To be increased to* $15,000,000 *by vote of stockholders. Received on capital stock account* $4,657,850.00)

Assets	$300,408,821.00
Liabilities	$266,057,053.49
Surplus to Policyholders	$ 34,351,767.51

Life Insurance Paid for in 1926	$ 966,792,044
Increase in Life Insurance in Force	435,278,852
Life Insurance in Force	2,931,020,467
Premium Income	93,363,014
Payments to Policyholders During 1926	51,720,114
Paid Policyholders Since Organization	629,979,727
Payments for Taxes in 1926	3,074,170
Increase in Assets	26,214,171

Current Events in Banking World

CITY & DISTRICT BANK EARNINGS CREATE RECORD

Has $1.06 in Quick Assets for Every Dollar on Deposit

From Our Own Correspondent.

MONTREAL.—The annual report of the Montreal City & District Savings Bank for the year 1926 revealed an all-round betterment both in earnings and in the company's already strong balance sheet. The profits for the year were the largest in the bank's history. Deposits are up some $2,500,000, as compared with 1925, and stand at over $56,000,000. On the opposite side of the balance sheet, the bank carries liquid assets representing $1.06 for every dollar on deposit.

The profit and loss account over the past three years compares as follows:

	1926	1925	1924
Profits	$290,344	$276,554	$272,056
Dividends	200,000	199,809	199,809
Balance	90,344	76,745	72,247
Donations	4,450	7,700	8,000
Surplus	85,894	69,045	64,247
Prev. surp.	149,613	280,568	216,321
Total	235,507	349,613	280,568
Trans. to res.	200,000	200,000	......
P. & L. bal.	35,507	149,613	280,568

Balance Sheet Changes

Changes in the balance sheet reveal the satisfactory increase in the deposits, coupled with an even greater increase in cash and bonds on hand. During the year, the reserve fund shows the increase noted in the foregoing figures and now stands at $2,000,000. At the annual meeting, Hon. R. Dandurand, the president, announced that the directors had decided to bring the paid-up capital up to the amount subscribed, namely, $2,000,000. As only $1,500,000 has been paid up, shareholders will be asked to complete their subscriptions.

In supplementing his printed address to the shareholders, the president spoke to the shareholders in the meeting in part as follows:

"The savings bank was established in 1846 by the most influential people of that day, on a co-operative plan so as to receive and husband the savings of the people which had not heretofore interested the commercial banks. In 1871 the Dominion parliament abolished the mutual co-operative system, and a capital of $2,000,000 was subscribed as a greater protection to our depositors.

"Our operations were most simple in nature. In order to ensure for them a perfect guarantee, the savings of the people could only be invested in first-class securities which offered the greatest protection. As the gilt-edge securities give the smallest return, the margin of profit, over the interest paid to depositors and the cost of management, has been a very modest one.

"Fortunately, the paid-up capital was small, and a reserve could be slowly built up. It has now reached $2,000,000 and, concurrently, our bank buildings have been written down to about 50 per cent. of their cost and municipal valuation. All our investments are carried at a fair margin under market value and, being of the highest grade, the security to both shareholders and depositors is absolute.

"As it has been deemed wise to create large reserves, the directors thought that the time had likewise come to bring the paid-up capital to the amount subscribed, to wit; $2,000,000.

"The shareholders are now asked to complete their subscription. They will receive on their larger holdings an increased return upon their investment."

Farmers Want Small Banks for Canada

One of the requests of western farmers is that small local banks should be made possible in Canada. Such a bank, typical of many in the United States is shown in this picture. Although hundreds of these small banks have failed, this one appears to be conspicuously successful. It is in the town of Normal, a small suburb of Lincoln, Nebraska, and is the smallest bank in the country. It was organized three years ago with a capital of $15,000. Today its assets have increased more than ten fold. In a small frame structure only 16x20 feet, it represents a total amount of resources which might easily be the envy of big banking houses, for its stockholders are conservatively estimated to be worth upward of $3,000,000. While many banks in the past three years have had to charge off a great many losses, this bank has had the perfect record of no losses and no change in the 18 stockholders or in the directors or officers.

Bank of Commerce

The Canadian Bank of Commerce will open its seventh branch in the Border Cities as soon as quarters in the Peters building, Parent Boulevard and Ottawa street, are ready, Walter G. Lynch manager, announced recently.

The new branch, which will be operated under the management of the Windsor office, will conduct a general banking business. It is expected to be open before the end of the month.

Staff Gossip

J. G. White, of the local Bank of Commerce staff, has been transferred to Toronto.—News, Medicine Hat.

* * *

A. M. Cumming, who has been ledger keeper in the Bank of Commerce here for several months, is being transferred to the Stavely branch.—News, Nanton.

* * *

Percy Locke, late of the Bank of Montreal staff, Meaford, has been transferred to the Belleville branch of the Bank.—Intelligencer, Belleville.

* * *

A. J. Johnston arrived at Radisson from Norquay to replace R. N. Lea, who has been transferred to Shaunavon. Mr. Lea has been teller in the Canadian Bank of Commerce for the past four months.—Phoenix, Saskatoon.

* * *

Recently, a number of leading citizens of Glace Bay gathered at the town hall, where a function was held in honor of W. D. Morton, manager of the Glace Bay branch of the Bank of Commerce for the past seven years, who is leaving for Kentville, to be branch manager at that town. A. Y. McDonald was chairman and Neil R. McArthur read the address and made the presentation. Mr. Morton was presented with a purse of gold, also a combination fold and key container.—Herald, Halifax.

* * *

W. H. Lugsdin, manager of the Moncton branch of the Canadian bank of Commerce for the last four years, and prior to that from 1916 until 1919, has been appointed to the staff of relieving managers in Ontario. He will make his headquarters in Toronto and expects to leave this city about March 15 to take up his new duties.

Mr. Lugsdin's successor in the Moncton branch, which he opened when he first came to this city, will be E. Holmes, at present manager of the Truro branch.—Transcript, Moncton.

Bank of Montreal

The Bank of Montreal has opened a branch at Rimouski, Que., under the management of C. J. O. Picard.

Huron and Erie Staff Changes

Huron and Erie Mortgage Corporation announces that E. H. Nugent, who for the past year has held the position of assistant manager of the main branches in London, has been appointed successor to C. J. Clarke as manager of these branches.

Mr. Clarke for several years has filled the dual position of treasurer and manager of these branches. Mr. Clarke will, in future, devote his entire attention to the office of treasurer.

Weekly Bank Clearings

(In comparison with the same week last year)

Eastern Cities	Feb. 11, 1926	Feb. 10, 1927
Halifax	$ 2,359,244	$ 2,652,768
St. John	2,662,267	2,394,114
Moncton	821,468	689,487
Sherbrooke	667,530	900,933
Quebec	5,138,494	5,161,144
Montreal	99,949,062	108,994,974
Ottawa	5,476,391	5,895,201
Kingston	611,905	611,066
Peterboro'	629,114	822,420
Toronto	96,654,897	95,352,036
Hamilton	3,875,504	4,809,081
Brantford	981,553	1,202,864
London	2,131,211	2,590,943
Kitchener	986,592	1,077,576
Windsor	3,511,655	4,179,350
Total, East	$226,456,887	$240,333,957
Chatham	....	669,295
Sarnia	....	591,520

Western Cities	Feb. 11, 1926	Feb. 10, 1927
Ft. William	$ 602,708	$ 717,096
Winnipeg	39,564,680	39,192,710
Brandon	451,218	481,917
Regina	3,779,873	3,311,856
Saskatoon	1,498,312	1,608,225
Moose Jaw	894,368	1,030,648
Prince Albert	347,645	335,608
Lethbridge	479,458	482,031
Calgary	7,439,863	6,929,119
Edmonton	4,628,011	5,230,919
Medicine Hat	207,019	266,126
New Westm'r	598,712	658,715
Vancouver	16,007,014	14,584,839
Victoria	2,074,537	2,065,522
Total, West	$78,573,418	$76,895,331

"THE MOST SUCCESSFUL YEAR AND THE BEST STATEMENT EVER SUBMITTED"

1926 RESULTS

Assets	$1,109,055.36
Premium and Interest Income	304,661.44
Policy Reserves	820,854.00
Insurance Issued	2,001,897.00
Insurance in Force	8,483,051.00
Paid to Policyholders and Beneficiaries since commencing business	$ 280,026.94

DIVIDENDS TO POLICYHOLDERS
(Payable in 1927) Example:

Amount	Plan	Age at Entry	Premium	Dividend Cash	Dividend or Bonus
FIRST FIVE-YEAR DIVIDEND					
$5,085	Ord. L.	33	$130.95	$101.80	$254.00
SECOND FIVE-YEAR DIVIDEND					
$2,000	Ord. L.	32	$ 50.10	$ 65.48	$150.00
THIRD FIVE-YEAR DIVIDEND					
$10,000	Ord. L.	33	$257.50	$495.87	$1,000.00

The Western Empire Life Assurance Company

Head Office, Winnipeg, Man.
WM. SMITH, President.
HON. R. W. CRAIG, BRIG.-GEN. H. M. DYER, Vice-Pres.
F. C. O'BRIEN, Secretary-Treasurer.
Branch Office, 404-5 London Bldg., Vancouver, B.C.
J. R. SIGMORE, Agency Manager.

The MUTUAL LIFE Wrote 50 Millions Last Year

THE amount of new business written by the Mutual Life Assurance Company of Canada last year exceeded the total business on the books of the company in the year 1900.

With a history of nearly sixty years of steady, normal growth behind it and a consistent policy of sound management carried forward from the day of its foundation the Mutual Life of Canada has developed into one of the leading financial institutions of the Dominion.

Let our nearest agent tell you about the Mutual idea applied to life insurance. Or write direct to this office.

The MUTUAL LIFE of Canada
WATERLOO, ONTARIO
886

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Saskatchewan's Dominant Dailies, together with Saskatchewan's only Farm Magazine, give Maximum concentration, tremendous buying power and complete coverage in this Great Market at an unusually low outlay.

The Cream of the World's Greatest Market

IF CASH Purchases are a fair indication of "increased prosperity", Saskatchewan never had such a harvest of currency as she had around the Christmas season of 1926.

There are now over 820,000 resident buyers in this Province who need your goods, and are only waiting to be told about them. We can lead you to them!

100,000

Saskatchewan Salesmen are persistently canvassing this great purchasing power! This represents the combined certified circulation of Regina Leader and Post, Saskatoon Phoenix and Star, and the Saskatchewan Farmer.

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Phone Elgin 4672

Men Back of Massey Deal Rank Among Kings of Finance

(Continued from page 9)

curities Corporation and Wood, Gundy and Company have long been called) in the history of Bradshaw and Gundy is of conversational if not of practical interest. Mr. Bradshaw has been associated with A. E. Ames and Company, with interests close to Dominion Securities and now has affiliated himself with Mr. Gundy. Mr. Gundy started with Dominion Securities and is a partner in one of the others of the big three.

The firm of Wood, Gundy and Company, started in 1905, advanced very rapidly in financial importance. In the pre-war period, when Canadian municipalities were expanding rapidly and borrowing immense sums to carry out improvements, the house moved rapidly forward to a major position in the business. In the war period, it continued to expand and was a big factor in the success of the war and victory loan issues. It would take too long to enumerate the executive positions Mr. Gundy held in these campaigns. It sufficeth to say that he was one of the big men in the work. After the war he was sent by Canada to the world financial conference at Brussels.

Becomes Corporation Financier

When Canadian banking indicated signs of change following the war and the partners of the bond houses began to consider the possibility of introducing Canadian investors into the mysteries of corporate finance and corporation investments, Mr. Gundy brought his firm actively forward in the new development. Soon it was that his house was signing its name to prospectuses offering millions of dollars worth of bonds of important Canadian corporations in the pulp and paper, public utility and other fields.

For a while the "Street" thought it was going to be able to chuckle over Wood, Gundy's "unfortunate" first step in the field of corporation finance. It was associated with the financing of the Bay Sulphite Company, which got into some difficulties because of circumstances that developed overseas and over which the financiers on this side of the water had no control. But by the time Harry Gundy was through working on the Bay Sulphite affair, it was apparent that the rumors about what was going to happen to the Bay Sulphite bondholders were as exaggerated as the report of Mark Twain's death. The bondholders never missed a payment by a single day. Out of the Bay Sulphite Company has emerged the Port Alfred Pulp and Paper Company. There is not a stronger, better established newsprint company in Canada than the Port Alfred Company. Gundy shares credit for its upbuilding with R. O. Sweezey of Montreal and Sir Herbert Holt, but the record of the long hours of planning and negotiating that he put in to make a possible failure a brilliant success is known to but few.

Worked on Many Companies

Since then Mr. Gundy has worked out many important deals. He was an important partner in the transaction that brought control of the immense Belgo Canadian Paper Company from Belgium to Canada and in the subsequent negotiations that joined that company with St. Maurice Paper Company, an American controlled company, in one big newsprint merger, the St. Maurice Valley Corporation. Mr. Gundy's achievement in retaining control of Massey-Harris in Canada, while it has received more publicity than any of his other big financial jobs, is hardly as important as bringing to Canada control of three big companies: the Port Alfred Company, outgrowth of an English controlled company, the Belgo company, which was owned in Belgium, and the St. Maurice Company, which was controlled in the United States.

Mr. Gundy has worked out other big transactions and in recent years he has been closely associated with Sir Herbert S. Holt, the outstanding financier of Canada and probably the wealthiest investor in the Dominion. Winning the unreserved confidence of Sir Herbert Holt is evidence of Mr. Gundy's financial abilities.

Mr. Bradshaw could not have gone to a better man to join him in the Massey-Harris purchase. At 47, Mr. Gundy stands in the front rank of Canadian financiers.

GOTFREDSON EARNED $1.96 A SHARE IN '26

This Was Less Than in 1925, Due to Upset Caused by Tariff Changes

Gotfredson Corporation, Walkerville, had lower profits in 1926, these being occasioned by the upset to business occasioned by the tariff changes last spring. B. Gotfredson, president, forecasts larger profits for 1927.

Net profits of the corporation amounted to $196,032.83 or equal to $1.96 a share on the capital stock of the company. Sales for the year amounted to $2,797,907.77, or considerably in excess of the year 1925, when total sales amounted to $2,558,100.51. In spite of the increased volume of business, however, the profits were lower than in 1925, when $2.45 was earned on the common stock.

Comparative figures below:

Profit and Loss Account

	1926	1925
Sales	$2,797,908	$2,558,101
Cost of sales	2,235,719	1,981,921
Manufac. profit	$ 562,189	$ 576,180
Expenses	311,175	286,152
Oper. profit	$ 251,013	$ 290,028
Other income	60,900	63,922
Total income	$ 311,913	$ 353,950
Interest, etc.	61,263	45,190
Depreciation	35,428	34,921
Taxes	19,190	28,559
Net profit	$ 196,033	$ 245,280

The balance sheet of the company shows net current assets amounted to $1,689,540, at December 31st, 1926. This compares with $1,599,975, at December 31st, 1925, and $1,442,841 at December 31st, 1924. Thus it can be seen that the financial position of the company is steadily improving. The book value of the stock is equal to $24.56 per share as compared with $24.05 on December 31st, 1925.

Working capital position compares as follows:

Working Capital

	1926	1925	1924
Curr. assets	$2,676,669	$2,570,143	$1,727,139
Curr. liabil.	987,129	970,168	178,726
Work. cap.	$1,689,540	$1,599,975	$1,548,413

W. G. Helliker to Head New Brantford Branch

At special meetings, at which more than seventy-five per cent. of the total share capital was represented, the shareholders of the Canada Permanent Mortgage Corporation and The Royal Loan and Savings Company of Brantford, unanimously ratified the agreement by which the latter company becomes merged in the Canada Permanent.

In taking over the Royal Loan, the Canada Permanent also acquires control of The Brantford Trust Company, Ltd. It is the intention to continue the business in Brantford as a branch of the corporation and of The Canada Permanent Trust Company, under the management of W. G. Helliker, who has managed the business of the Royal Loan since 1904.

EMPIRE LIFE

Writes $2,300,000 of New Business During Year 1926

During 1926 the Empire Life Insurance Company wrote $2,309,037 of new business, and now has over $5,000,000 of insurance in force, an increase of $1,527,957 over 1925. The company claims the lowest loss ratio of any Canadian company, as during its four years of operation this ratio of loss to actuarial expectation has been only 6 per cent. The company has a reserve of $123,088, which is an increase of 93 per cent. over the 1925 figures, and as well the gross surplus has been increased from $87,260 to $101,857. Total assets now stand at $261,943. The company is gradually reducing its expense ratio, in spite of the increased insurance income of $33,396.

BRADSHAW, GUNDY WILL SEEK WIDE DISTRIBUTION OF STOCK

(Continued from page 1)

the employees. At the Massey works in Toronto and Brantford, and probably in the branch plants elsewhere, satisfaction is expressed in the result of the negotiations which retain the existing management.

While the directors of the company are doubtless sincere in their statements that no plans for refinancing have been considered, it is also apparent that they have not determined definitely that there will not be a revision of the capital structure eventually. Nothing of the kind is probable in the immediate future, but the financial district persists in the belief that ultimately there will be a new issue of securities.

Bonds Could be Floated

It is suggested, for instance, that Massey-Harris Co. easily could float bonds at 5 per cent. in sufficient amount to redeem the $12,089,000 of preferred stock which is 7 per cent. cumulative. Under the present charter the preferred is redeemable on 30 days' notice at 110 and accrued dividends. It is contended that, if this course were adopted, the company, assuming it continued to improve its position, would be able to redeem its bonds within a comparatively short time, leaving only common shares outstanding. Many industrial and utility companies are working gradually to the point where the common shares are the only securities outstanding and some have achieved that desideratum.

This, however, is mere speculation on possibilities by individuals who, while possessed of keen appreciation of problems of company financing, have no direct interest in the affairs of Massey-Harris Co. The fact which is of immediate concern to the investment public is that no change in the capitalization of the company has been planned so far.

Affect Dividend Policy

There is much speculation as to whether the transference of ownership of such a large block of the share of the company will have a bearing on the dividend policy of the company. The common advanced to above 90 during the negotiations for the sales of the Massey shares and in the two days following the formal announcement receded a few points. It is pointed out that market price of the shares must be pegged at or above, the present levels if individuals associated in taking up the shares acquired by Messrs. Bradshaw and Gundy are to be protected.

FOREIGN EXCHANGES

Franc Moves Down to Aid Deflation

Conducted by S. J. ZACKS.

Another week of quiet trading has passed. Activity in Europeans continues to wane. South Americans, principally the Argentine and Uruguayon pesas, were strong, while considerable interest centres about the dollar—sterling rate.

The French franc touched a new low, a drop of another point bringing it to the lowest point since last December, when the Bank of France stepped in to stabilize the franc. The adjustment in the peg on the franc rate is not due to active selling but is due to manipulation by the Bank of France itself, apparently for the purpose of inducing deflation. For some time past there has been political pressure for a lower rate and it now appears as if the franc will be let down very gradually with a view to stimulating business in France. Premier Poincare unquestionably still favors a higher rate, but the present does not appear a suitable time to enforce such a rate. When the peg was put on the franc, it will be remembered that the rate determined was a temporary one to be adjusted to the price level.

A similar condition exists with the Italian lire. There has been a little short selling. Italian balances abroad are fairly substantial and the rate has been a managed one, with an eye on the price level.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
Feb. 10	5-32	5-32	13-32	9-32
Feb. 11	5-32	5-32	5-16	1-4
Feb. 12	5-32	5-32	3-8	11-32
Feb. 14	5-32	5-32	25-64	23-64
Feb. 15	5-32	9-64	25-64	11-32
Feb. 16	5-32	9-64	25-64	23-64

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Feb. 10	4.84¾	3.92¾	4.33¾
Feb. 11	4.84¾	3.92¾	4.29¾
Feb. 12	......	......	......
Feb. 14	4.84¾	3.93¼	4.30¼
Feb. 15	4.84¾	3.92½	4.31¾
Feb. 16	4.84 11/16	3.92	4.30½

FOREIGN EXCHANGE

Par		Feb. 9	Feb. 16
19.30	Italian	4.29	4.32
32.45	Brazilian	11.85	11.89
23.82	German	23.74	23.84
19.30	Belgium	2.79	2.79
84.85	Japan	48.90	48.90

Aetna Life Now Has $435,000,000 in Force

Covering a wide range of life, accident, liability and compensation insurance, the Aetna Life Insurance Co. of Hartford, Conn., report that during 1926 the company wrote $991,792,044 of new business and increased the amount of insurance in force by $435,278,852. The company's total insurance in force at the end of 1926 stood at $2,931,020,467, and is distributed among more than half a million policyholders. Since its organization 77 year ago, the company has paid nearly $630,000,000 to its policyholders, of which over $51,000,000 was paid in 1926. Premium income for the past year was $93,363,014 and the company's assets now stand at $300,408,821, which is an increase of $26,214,171 over 1925. Of the company's total assets, $136,000,000 are held in stocks and bonds, and $95,500,000 in mortgages secured by real estate.

New Insurance Licenses

Dominion insurance licenses have been issued to: Fidelity-Phenix Fire Insurance Company of New York, to write insurance against earthquake; to the Continental Insurance Company, to write insurance against earthquake; and to the World Fire and Marine Insurance Company, to write hail insurance.

Trusts and Guarantee Profits Show Increase

Trusts and Guarantee Company had a healthy increase in profits in 1926. As a result of this increase in earnings, from $110,570 to $147,748, the profit and loss surplus rose from $147,904 to $156,662.

Comparative figures follow:

Profit and Loss

	1926	1925	1924
Profits	$147,748	$110,570	$113,102
Divids and taxes	100,251	102,918	101,467
Writ. of secs.	38,738	25,018	....
	138,989	127,936	101,467
Balance	$ 8,759	x$17,366	$ 11,635
Prev. bal.	147,905	165,271	153,637
	$156,664	$147,905	$165,272

Guaranteed trust account stood at $6,235,174, as compared with $5,961,488 in the previous year, representing an increase of $273,686, while estates, trusts and agency accounts totaled $25,419,359, as against $23,999,519, an increase of $1,419,840. Total assets stood at $38,387,256, an increase for the period of $1,698,076.

COMMONWEALTH LIFE

After four-and-a-half years of operation, the Commonwealth Life & Accident Assurance Co. report $3,028,828 of new business written, which is an increase of 39 per cent. over the 1925 figures. The total amount of insurance in force now stands at $6,051,235. This increased business has been done on a decreasing expense ratio, which has enabled the company to strengthen its financial position. The company's assets are a little below the $300,000 mark, of which a considerable amount is in the form of mortgage loans. The company increased its policy reserves during the year by $86,518. At present the company's business is carried on almost entirely in western Ontario and the Niagara peninsula. The company recently established an agency at Ottawa.

St. Maurice Power Earns $2.37 on Stock

St. Maurice Power, a subsidiary of Shawinigan Water and Power Company, had greatly increased profits in 1926. This was to be expected, as the company is only a little over two years old and has been building up its power sales.

Additions to property and generating plant account largely for an increase of about $200 000 in total assets, which are shown at $17,711,075.

The profit and loss figures for the two years are as follows:

	1926	1925
Power sales	$1,029,000	$ 798,000
Rentals	2,379	9,386
Total income	$1,031,379	$ 807,000
Operation	39,549	37,473
Maintenance	28,700	19,371
Tax and ins.	28,908	20,550
General exp.	29,307	21,912
Storage rental	84,286	46,723
Balance	$ 820,627	$ 661,356
Interest	650,000	650,000
Net revenue	$ 170,627	$ 11,356
To reserves	170,000	11,000
Surplus	$ 627	$ 356
Prev. surp.	356	...
P. & L. bal.	$ 983	$ 356
7% earned on stock	2.37	...

THE COSGRAVE EXPORT BREWERY COMPANY

Dividend No. 17

Notice is hereby given that a quarterly dividend of one and one quarter per cent. (1¼) has been declared on the shares of this company payable on the 15th day of March, 1927. To shareholders of record the 28th day of February. James F. Cosgrave, President.

ST. MAURICE VALLEY CORPORATION

Dividend Notice

Notice is hereby given that a dividend of 1¾% for the three months ending March 31st, 1927, being at the rate of 7% per annum of the paid up Preferred Stock of this Corporation, has been declared and that same will be paid on the first day of April, 1927, to shareholders of record at the close of business March 15th, 1927.

By Order of the Board,
G. WILFRED HODGSON,
Secretary and Treasurer.

Montreal, February 15, 1927.

COOKSVILLE SHALE BRICK COMPANY, LIMITED

Dividend Notice

A Quarterly Dividend of One Per Cent. (1%) on the Preference Shares has been declared, payable March 15th, 1927, to Shareholders of record at the close of business on February 28th, 1927.

By order of the Board.
WM. TAYLOR,
Secretary.

Montreal, Que., 16th February, 1927.

LAKE SHORE MINES, Limited

(No Personal Liability)

Dividend No. 28

Notice is hereby given that a quarterly dividend of ten per cent., on the issued capital stock of the Company will be paid on the 15th of March, 1927, to shareholders of record at the close of business on the 1st of March, 1927.

By order of the Board.

KIRKLAND SECURITIES, LIMITED,
Secretary.

Dated at Kirkland Lake, Ontario, February 15, 1927.

DIVIDEND NOTICE

No. 77

Imperial Royalties Company announces that the regular Monthly Dividend of one and one-half per cent. (1½%) will be payable on February 28th to shareholders of record of February 25th.

This is Monthly Dividend No. 77, making a total of one hundred and thirty-six per cent. (136%) paid to shareholders since organization in April, 1920.

IMPERIAL ROYALTIES COMPANY

By J. E. Horn

K. H. Kompfe & Co.
Limited
Toronto and London, Ontario

The Shawinigan Water and Power Company

Notice is hereby given that a dividend of fifty cents (.50c) per share has been declared on the no par value common shares of the Company for the quarter ending March 31st, payable April 11th, to shareholders of record March 25th, 1927.

By Order of the Board,
JAMES WILSON,
Secretary.

Montreal, February 15, 1927.

CANADIAN PACIFIC RAILWAY COMPANY

Dividend Notice

At a meeting of the Board of Directors held to-day the following dividends were declared:—

On the Preference Stock, two per cent. for the half-year ended 31st December last;

On the Common Stock, two and one-half per cent. for the quarter ended 31st December last, from railway revenues and Special Income;

Both dividends are payable 1st April next to Stockholders of record at three p.m. on 1st March next.

By Order of the Board,
ERNEST ALEXANDER,
Secretary.

Montreal, 14th February, 1927.

Muirhead's Cafeterias Limited

A dividend of twenty-five cents (25c) per share, being at the rate of 7½% per annum, has been declared on the Preference Shares of the Company to shareholders of record February 14th, payable March 1st, for period ending February 28th.

By Order of the Board.
H. M. MILLAR, Secretary.

SALE OF TIMBER

TENDERS WILL BE RECEIVED by the undersigned up to and including Friday, April 15th, 1927, for the right to cut the Pine Timber on Townships 4-C, 3-D, 4-D and 5-D in the Mississaga Forest Reserve, District of Algoma.

FURTHER PARTICULARS may be obtained upon application to the undersigned, or to Mr. A. H. Huckson, Crown Timber Agent, Sault Ste. Marie, Ontario.

WILLIAM FINLAYSON,
Minister of Lands and Forests.

N.B.—No unauthorized publication of this Notice will be paid for.

Toronto—Feb. 7th, 1927.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

East Kootenay Power Co. Limited

Dividend No. 11.

A DIVIDEND of One and three-quarters per cent (1¾%) on the PREFERRED STOCK of EAST KOOTENAY POWER COMPANY LIMITED has been declared for the quarter ending February 28th, 1927, payable March 15th, 1927, to shareholders of record February 28th, 1927.

By order of the Board,
L. C. HASKELL, Secretary.

January 28th, 1927.

SOUTHERN CANADA POWER COMPANY LIMITED

Common Dividend No. 8

A DIVIDEND of One Dollar (1.00) per share on the NO PAR VALUE COMMON STOCK OF SOUTHERN CANADA POWER COMPANY LIMITED has been declared, payable March 15th, 1927, to shareholders of record February 28th, 1927.

By order of the Board.
L. C. HASKELL,
Secretary.

Montreal, January 28th, 1927

"Better"

Kennedy Castings

From your own pattern or to your drawings, in all metals, cast iron up to 20 tons; in cast steel up to 3 tons. Our pattern shops are at your disposal.

The Wm. Kennedy & Sons Limited
OWEN SOUND, ONTARIO.

Representatives at Cobalt, Toronto, Montreal, Halifax, Winnipeg and Vancouver.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid-up Capital Stock of this Institution has been declared for the current quarter, payable on and after TUESDAY, the FIRST day of MARCH next, to Shareholders of record of 31st January, 1927.

By order of the Board.
FREDERICK WILLIAMS-TAYLOR,
General Manager.

Montreal, 21st January, 1927.

The Canadian Bank of Commerce

The annual meeting of the shareholders of this Bank for the election of Directors, and for other business, will be held at its banking house, Nos. 23 to 25 King Street West, Toronto, on Tuesday, the 11th day of January next. The chair will be taken at 12 o'clock noon.

By order of the Board,
S. H. LOGAN,
General Manager.

Toronto, November 26th, 1926.

Business Opportunities

PORTAL—New mining town, Portland Canal District, British Columbia. First offering Business and Residential lots. Low prices with big profits assured. Openings for all kinds of business and amusements, hotels and restaurants. Free circular for the asking.

Portal Townsite, Limited,
405, Dominion Bank Building,
Vancouver, B.C.

SALE OF TIMBER

TENDERS WILL BE RECEIVED by the undersigned up to and including Tuesday, March 1, 1927, for the right to cut the Pulpwood and Log Timber on the South two-thirds of the Township of Menapia, the Township of Benian and the Southwest quarter of Thorning Township, in the District of Cochrane.

FURTHER PARTICULARS may be obtained upon application to the undersigned, or to Mr. D. J. Spence, Crown Timber Agent, Cochrane.

W. FINLAYSON,
Minister of Lands and Forests.

TORONTO, January 21st, 1927.

N.B.—No unauthorized publication of this Notice will be paid for.

Western Grocers Limited

Notice of Dividend

A dividend of one dollar per share on the New No Par Value Common Stock of Western Grocers Limited has been declared, payable March 15th, 1927, to shareholders of record February 28th, 1927.

By order of the Board,
W. P. RILEY,
President.

Winnipeg, February 11th, 1927.

BELGO CANADIAN PAPER COMPANY, LIMITED

Dividend Notice

Notice is hereby given that the following dividends have been declared for the quarter ending 31st March, 1927:

Dividend No. 15 on the preferred stock: One and three-quarters per cent. (1¾%) payable on the 1st day of April, 1927, to shareholders of record of the 4th day of March, 1927.

Dividend No. 10 on the common stock: One and a half per cent. (1½%), payable on the eleventh day of April, 1927, to shareholders of record of the 31st day of March, 1927.

By order of the board.
G. WILFRED HODGSON,
Secretary-treasurer.

Montreal, February 10, 1927.

Mexico Tramways Company

General Consolidated First Mortgage 50-Year 5% Gold Bonds

NOTICE IS HEREBY GIVEN that on and after 1st March, 1927, Coupon No. 28, dated 1st September, 1920, detached from the above Bonds, will be paid at the Bank of Montreal, Toronto, Montreal or London, England, or at the agency of the Bank of Montreal, New York, at the holder's option.

Dated at Toronto this 15th day of February, 1927.

MEXICO TRAMWAYS COMPANY,
R. H. MERRY, Secretary.

McColl Bros. Limited

Notice of Dividend and Annual Meeting

Notice is hereby given that a quarterly dividend of 1¾% has been declared on the Preferred Stock of this Company, payable on the 1st day of March next to shareholders of record at the close of business on the 19th day of February, 1927.

Also, that a quarterly dividend of .20 cents per share has been declared on the Common Stock of the Company payable on the 1st day of March next to shareholders of record at the close of business on the 19th day of February, 1927.

Also, that the Annual Meeting of Common Shareholders of this Company will be held at 11 a.m. on Tuesday, April 19th next, at the Head Office of the Company, 114 Don Esplanade, Toronto.

By Order of the Board.
ARTHUR HUGHES,
Secretary.

Two Types of Investment Trust; Both Diversify

(Continued from page 12)

paid in 1923-24 17 per cent. and in 1924-25 19 per cent.

The memorandum of association outlines the purposes of the British Investment Trust, as follows:

(1) To raise money by share capital, on such terms and conditions as may be thought desirable, and to invest the amount thereof in or upon, or otherwise acquire and hold, any of the securities or investments following, videlicet, the shares and stocks, whether preference, ordinary or deferred, and whether fully paid or not, bonds obligations, debentures, debenture stock, scrip, and securities of any company, corporation or trust carrying on, or formed to carry on, business in the United Kingdom, or the colonies, or in any foreign country or state, or in the stocks, bonds, debentures, scrip, or securities of any British colonial or foreign government, or authority — supreme, municipal, local, or otherwise: provided always, that no investment imposing unlimited liability on the company shall be made.

(2) To borrow or raise money by the issue or sale of any bonds, mortgages, debentures, or debenture stock of the company, whether perpetual or otherwise, or in any other manner, and to invest any money so raised in any such securities or investments as aforesaid: provided, that the total amount outstanding at any one time on the company's debentures, or debenture stock, shall not in the aggregate exceed a sum equal to the nominal amount of the share capital of the company, for the time being issued and subscribed.

(3) To acquire any such securities or investments by original subscription, tender, participation in syndicates or like negotiations, or otherwise, and to make payments thereon as called up or in advance of calls, or otherwise to acquire such securities or investments in excess of the monies for the time being proposed to be invested, and to sell or otherwise dispose of any excess thereof; and generally to sell, exchange or otherwise to dispose of, deal with, or turn to account, any of the assets of the company, or any securities or investments of the company, and to invest in or acquire by repurchase or otherwise any securities or investments of the kinds before enumerated, and to vary the securities and investments of the company from time to time.

(4) To make advances upon, hold in trust, buy, sell, and dispose of on commission or otherwise, any such securities or investments as aforesaid, and upon the securities of landed property, buildings, and hereditaments, in any British, colonial or foreign country or state, and to act as agents or trustees for any of these purposes.

Object to Provide Diversity

In other words, the investment trust sells its own stocks and bonds to investors and these securities have behind them a well diversified selection of interest or dividend yielding securities. The purpose or function of the investment trust is to provide investors with a satisfactory and trustworthy means of employing their surplus funds so that investors can feel reasonably well assured that the principal will be safe and that an attractive income will be received.

The degree of success with which this function is performed depends to a great extent on the capital structure of the trust—the regulations and restrictions respecting the selection of securities; the distribution of the securities; the handling of the securities; the policies followed and the experience and skill of the management. Incidentally, great economic results are achieved through the sound operation of investment trust to which reference will be made later.

Canadian Mining News

THE FINANCIAL POST

Vol. XXI. PUBLICATION OFFICE: TORONTO, FEBRUARY 18, 1927 No. 7

C.N.R. Rouyn Line to End at Cheminis; Touch High Spots

By DANIEL E. CUSHING,
Mining Editor, The Financial Post.

ROUYN.—Canadian National Railway's Rouyn line will be built to Cheminis from the end of the present line in Rouyn. It will connect up with the T. and N. O. at that point and Cheminis will be the terminal point.

How soon this plan will be carried out is not known. Survey of the extension from Rouyn to Towagamac on the Alderson-Mackay property is now being made. This will cover half the distance to Cheminis.

The plan previously talked of was that if there was to be an extension to the Ontario boundary, it would be the Waite-Montgomery branch that would be carried over the high ground. This has been found impracticable because the survey showed that there was a 200-ft. drop. The Waite line is being worked on now and will be a light one.

If Amulet can guarantee enough tonnage, the railway will be extended down to that property and later to the famous four corners where Duprat, Dufresnoy, Rouyn and Boischatel townships meet and where there are a number of attractive looking properties.

It is not proposed to have the C.N.R. extension out to Cheminis follow the old T. and N. O. survey as the grade on this was two per cent.

Towagamac property is right on the height of land and will be reached by a short spur, while the main line will continue a distance from property. A tremendous cut, seven hundred feet long, will have to be made, but it will be through excellent ballast gravel. This deposit is right along the height of land.

U.S. ENGINEERS AND BROKERS VISITED THE ROUYN CAMP

Large Party Traveled Into Camp in a Pullman Car

WERE IMPRESSED

Visited Noranda and Thomson Properties — Weather on Good Behavior

One of the most outstanding groups of United States mining engineers, brokers and investment bankers to visit Canadian mines, is that which has just concluded a trip in to Rouyn. The party was organized by W. H. Thorburn, of W. H. Thorburn and Co., Toronto. In it were several leading engineers, members of Boston, New York and New York Curb stock exchanges and several capitalists.

The party gathered at Montreal and traveled by pullman right into the camp. This definitely puts Rouyn in the class of the Northern Ontario camps that can be reached by pullman. Because of lack of accommodation and distance, a special dining car was taken along.

Rouyn weather was on its best behavior for the visitors. It never registered lower than 15 below zero. The snow was deep but travel in the camp was fairly easy.

Visited Noranda

The visitors were impressed. They spent a day at Noranda and the engineers in the party spent the best part of a morning underground. They showed much enthusiasm over the massive ore bodies that have been opened on that property. Noranda is driving ahead on its smelter and other surface construction work, in so far as it is possible to do so in the winter. Recently a number of the workers were laid off and the road construction drive will not be launched until spring. However, a material change in the outlook has been made since the writer was in the camp a month ago. Good progress has been made in erecting the balance of the steel structure of the smelter and other parts of the huge surface equipment.

New Shaft Not Ready

The headframe of the new shaft is not as yet ready. This is the immediately interesting phase of the Noranda operation, as just as soon as it is completed and the new compressor is ready to operate the drive to deeper levels will be commenced. At the same time the starting of stopes in the mine to provide ore for the smelter, will also be started.

Thormoor Copper

One day was spent by the party visiting the Thormoor Copper Mines, Boischatel Tp., just at the Duprat Tp. boundary and just west of the Rouyn Tp. corner. In going to this property the visitors crossed over Area, Grover Daley, Vickers, Ribago. The Thormoor is under option to United States Smelting and has been opened by a series of test pits and some very attractive showings of chalcopyrite are to be seen in the various trenches. For the limited amount of work accomplished, the showings of the property are considered decidedly favorable, warranting a substantial development program. This will take the form of a diamond drilling campaign at first and the company has called for tenders for the sinking of a number of holes. The company has good camps and a very substantial acreage.

During the trip, the party was welcomed by a number of municipal organizations where they stopped enroute, especially at Taschereau and also at Rouyn. At the latter they have organized a live chamber of commerce and this body along with the town council tendered the visitors a banquet.

Rouyn as a Town

Rouyn, it was stated, is now asking the Quebec legislature to incorporate the centre as a town by a special act of the legislature granting it similar wide powers as were granted to Noranda, the town incorporated by the mining engineers, New York, and also adjacent to the smelter.

There were several representative mining men in the party, Mr. Skinner, Hayden Stone and Co., engineer; Mr. Mayer, of Rogers, Mayer and Ball, mining engineers, New York, and also vice-president of the Swedish American Co., doing the diamond drilling in the Rouyn camp; C. E. Arnold, engineer Anaconda Copper; W. H. Baiz, Utah Copper; H. D. McDonald, U. S. Smelting; Mr. Cantley, associated with National City Co., as well as representatives of American Metals and others. Some large New York brokerage houses were represented in the party, among them being some who figured prominently in the Cobalt boom in the early days of that camp. James Cowan, Toronto barrister and Hon. Frank Biggs, Dundas, were also on the trip.

Those in the party were:

Messrs. Greer Morton, capitalist, Glenbrook, Conn.; Jack Watts Bagley, member N. Y. Curb Market, New York; J. C. K. Stuart, contractor, Hamilton, Ont.; Hon. F. C. Biggs, Dundas, Ont.; Lucius W. Mayer, M.E., v.p., Swedish-American Electrical Survey, New York; Wm. S. Sheehan, capitalist, New York; Morris A. Schapiro, American Metal Company, New York; Coy M. MacDonald, financial counsel, Boston, Mass.; W. H. Baiz, Wah Copper Co., New York; George R. Harris, bond dealer, Hamilton, Ont.; H. D. MacDonald, M.E., U. S. Smelting & Refining Co., Boston; J. Cowan, Slaght & Cowan, barristers, Toronto; Raoul Simard, La Patrie, Montreal, Que.; C. E. Arnold, M.E., Anaconda Copper Co., New York; David Maltman, member New York Curb, New York; E. N. Skinner, M.E., c/o Hayden, Stone & Company, New York; Donald C. Catlin, c/o Catlin & Pope, members N. Y. Curb Market, New York; C. R. Leamy, c/o Pillsbury, Renwick & Company, members Boston Stock Exchange, Boston, Mass.; D. E. Cushing, Financial Post, Toronto, Ont.; C. L. Cantley, M.E., associate National City Bank, New York; F. B. Baugher, Harvey Ellis, New York Stock Exchange, New York; F. H. Manley, Montreal, Que.; W. H. Thorburn, Thorburn & Co., Toronto, Ont.; A. B. White, consulting engineer, Toronto, Ont.

Oriole Mining Syndicate

Oriole Gold and Copper Mining Syndicate on advice from their mining contractors are taking in supplies over the winter route and building a permanent camp, also dip needle the low lying ground on the south claims where exposed pillow lava and chalcopyrite is showing prominently. They have also started to crosscut the mineralized zone on claims 11111 to 11116 inclusive. Men are on the property and the syndicate intend to proceed with work through the winter.

WRITE FOR OUR MARKET LETTER

F.J.CRAWFORD & CO.
F. J. CRAWFORD
S. J. McGRATH
MEMBERS STANDARD STOCK AND MINING EXCHANGE
STOCK BROKERS
10 JORDAN STREET
TORONTO, CANADA
Cable Address "Service"
PERSONAL SERVICE

Central Manitoba Stock Over-Sold

There was not enough Central Manitoba Mines stock to go around.

The offering of shares was over-subscribed to the extent of 15 per cent. The public offering consisted of 1,000,000 shares, which were sold at $1. There are about 2,000 shareholders, of which approximately 1,100 are located in Winnipeg. A satisfactory distribution was secured in Toronto, including a number of large blocks. The balance of the financing was done mainly in Boston. A development program is progressing, and it is proposed to have a mill in operation before the end of this year.

START BALLASTING ROUYN RAIL LINE EARLY IN SPRING

Expect Break-Up to Put the Line Out of Commission

Rouyn is providing a tremendous amount of business at the present moment. The camp is preparing for a substantial spring rush. Large amounts of supplies and equipment are going in daily.

December earnings of the new Rouyn line of the C.N.R., the first month operated, were $78,000. This came from practically a one-way haul. In December and January the railway handled 700 cars and February will see 400 cars handled. One reason for the particularly heavy traffic is the fear that the spring break-up will cripple the railway. C.N.R. engineers are telling people to make plans to withstand a month's tie-up. They do not figure the line will be out of commission that long, but they are playing safe.

There are bound to be interruptions in service. The last nineteen miles, Clericy to Rouyn stations, are not ballasted. A tremendous amount of snow and several large rivers, which usually run wild on the spring break-up have to be reckoned with. A favorable factor for the railway is that there are but a couple of inches of frost in the ground and this will allow for a great deal of absorption. C.N.R. engineers say that as soon as possible they will put on their work trains and haul in ballast. All gravel must be taken in from the main line as the few deposits of gravel found along the Rouyn branch are now exhausted.

Don Rouyn Options Mackenzie Property

The Mackenzie property, in Dufresnoy Township, one mile north of Clericy station on the Rouyn Railway, on which an important copper discovery has been made, has been optioned by the Don Rouyn Mining Co. The property consists of two hundred acres in the east central portion of Dufresnoy and is readily accessible.

The country rock consists of a series of acid and basic lavas, intruded with granite and porphyry. The rock at this copper discovery is a brecciated ryholite, highly silicified, and impregnated with chalcopyrite, bornite and sphalerite, in quantities that might be called massive. These copper showings occur on a knoll where shallow trenches have been put in across the zone. These trenches are not connected, but the sum of their lengths, which is 17½ feet, gives a fair idea of the width expected at that point. The total width cannot be determined at present. There is no indication of a wall at either side. Chalcopyrite occurs in large quantities, and can be seen all the way across various trenches. The strike of zone is northwesterly and south-easterly direction.

In Centre of 200 Acres

The showing is practically in the centre of a two hundred-acre property. Near the original discovery, and running at an angle of thirty degrees to it, a trench has been opened up for a length of two hundred and fifty feet. A zone of highly silicified, light colored rock, evidently a highly altered porphyry, has been found. The zone is heavily impregnated with massive marcasite, and is similar in appearance, to that capping which is often found over the copper zones in the district. It also bears a marked similarity to the zone near the north end of Noranda. The zone can be picked up again at a point approximately eight hundred feet south, on one of the trenches where the marcasite is much finer and is disseminated through rock. The geology is considered favorable for ore deposition, and the surface showings are considered attractive enough to warrant aggressive exploration.

TWO TOURS FOR MINING CONGRESS

Large Number Coming Has Resulted in Expansion of Plans

Plans for the British Empire Mine Congress in Canada in the late summer are expanding because of the large number signifying their intention to attend. One important change is the announcement of a new tour for Eastern Canada. These are to be as follows:

Tour "A"

Leave Montreal on the night of Tuesday, August 23rd, and travel through Ottawa, Toronto, Niagara Falls, Port Colborne, Hamilton, Toronto, Sudbury, North Bay, South Lorrain, Cobalt, Haileybury, Kirkland Lake, Timmins and Cochrane. From there it will turn west stopping at Minaki, Winnipeg, Estevan, Banff, Calgary, Fernie, Kimberley, Kootenay Landing, Nelson, Tadanas (or Trail), Princeton, Vancouver, Britannia and Victoria.

It will return East on September 16th via Vancouver, Jasper Park, Sterco, Cadomin, Edmonton, Wainwright, Saskatoon, Winnipeg, Fort William and Port Arthur, Cochrane, Taschereau, Noranda (Rouyn), Quebec, Thetford Mines, and Sherbrooke, arriving again in Montreal on the morning of September 28th, exactly five and one half weeks after the opening of the Congress, having traveled approximately 7,500 miles.

Tour "B"

Tour "B" will travel with Tour "A" as far as Cochrane on the outward journey, and will then turn east, visiting Noranda, Arvida, Quebec, Thetford Mines, Sherbrooke, Minto, Moncton, New Glasgow, and Sydney. It will embark there for Port-aux-Basques in Newfoundland, where it will cross the Island to St. Johns. With that point as its headquarters, it will inspect the largest iron mines in the British Empire at Wabana, on Belle Island, in Conception Bay.

Leaving St. Johns on September 14th, the expedition will travel via Port-aux-Basques, Sydney, Moncton, and Bathurst, cross the St.Lawrence over the Quebec Bridge, and arrive in Montreal on the evening of September 16th. The party will have traveled from Montreal to Montreal, about 4,500 miles.

Trail Ore Receipts Made New High Mark

Ore receipts at the Trail smelter for 1926 were 531,745 tons, constituting a new record. A second record was set up on receipts of ore from the company's own mines, the total tonnage being 366,597 tons. A third record was made in the number of custom mines shipping to the smelter, the total being 115, an advance of 11 over the number in 1925.

Open in Winnipeg

Wyman and Ellis have opened offices at 206 Paris Bldg., Winnipeg, to handle stocks and bonds. The members of the firm are D. C. Wyman and J. C. Ellis. It is their intention to specialize in mining stocks.

Mines Freight Rates Higher Than Farmers

The Canadian farmer is a strong agitator for a reduction in freight rates; the Canadian mine operator is not.

Freight rates applicable to farm products are much lower than the freight rates applicable to mine products.

Mine products provide a much greater tonnage for Canada's railways to-day than do farm products. The mining industry has grown more slowly than agriculture, yet mine products provide more than 50 per cent. of the total tonnage of the railways. Car loadings show this.

Mine operators, who to-day pay higher freight rates than do the farmers, have a more legitimate claim to lower rates than the farmers.

Laval Quebec Main Interest in Quebec

Staff Special.

ROUYN.—The main interest in Rouyn at the moment is Laval, Que. The electrical survey has been made, and not quite completed, but the company already has a diamond drill at work to test out some results that have been obtained from the survey.

Part of the survey was made on the lake, where drilling was launched immediately, so that it could be done on the ice before spring break-up. It is understood that the drill is having trouble getting through the gravel in the bottom of the lake. As soon as this difficulty is over, rapid progress is expected. The property is about a mile south-west of Noranda.

Engineer Mine Sinking Three-Compartment Shaft

Work on the Engineer gold mine, Atlin district, British Columbia, is going ahead. A three-compartment shaft is being sunk on the E vein 150 feet from a similar shaft on the Alexander vein. A considerable amount of sinking and drifting has been done on the property. There are 39 veins altogether, but the two big veins are the E and the Alexander. The latest report from the property is that good ore has been struck in the Alexander vein workings.

Plan to Drill Makamic

Information being brought in from the property of Makamic Mines, is highly favorable. The company is negotiating at present in connection with letting a diamond drill contract. This drilling is to be done as quickly as possible, with a view to undertaking underground development during the coming Summer.

Does Mining Pay?

More money is now being paid in dividends by four properties —Hollinger, Lake Shore, International and Mond Nickel— than all the standard banks of Canada put together, states Cyril T. Young, superintendent of development, Canadian National Railways.

When it is taken into consideration that the above statement is based on operations of only four companies, and does not include such heavy dividend payers as Smelters, Wright-Hargreaves, Teck-Hughes, etc., one gains an idea of the tremendous growth which has taken place in Canadian metal mining in the past decade.

Gold Hill Mill to be Erected Very Shortly

With their mining plant all on the property and installation about to commence, Gold Hill officials have been going over the details of their mill which will be erected in the course of the next few months. Associated with this company are a number of old mining men, some practical and some technical, so that the question of a mill has not presented any complex problem. It is officially stated that the new mill will be similar to that of the Dome, metallurgically.

One of the main reasons for adopting Dome metallurgical methods is that it is regarded as one of the cheapest and most efficient. There will be certain mechanical differences in the Gold Hill mill, in that there will be no stamps. It is altogether likely that the initial operation in the mill will be amalgamated which move will be designed to take out the high values which the ore is becoming noted for. This will mean that there will be an even feed going from the ball mills into the tanks. This will get away from the problem of feeding large amounts of cyanide into the tanks to save the values. Officials of the company say that they estimate that they may be able to amalgamate out about 50 per cent. of the high values as is done at the Dome and if they can do this, it will give a fairly uniform feed to the solutions.

Gold Hill Mine, Boston Creek, is now operating its new mine plant. It is electrically driven and will open the mine down to 1500 ft. The shaft is to be continued from the 800-foot level to the 1,500 and stations will be cut at distances of 100 feet. Lateral work will also be carried out on several levels, likely the 400, 600 and 800. No levels have been fully developed so far, most of the work being on the 300 and 800-foot levels.

The new mill, which is to have a capacity of 100 tons a day, will be fed from development. It is hoped to have the mill running in May.

Siscoe Mines to Erect Mill Early in Spring

MONTREAL.—According to advices received from S. E. Siscoe, vice-president of Siscoe Mines, "C" shaft is now pumped out. Following a decision of the board of directors, Siscoe Mines will continue drifting on this shaft in order to determine the results, which will be a big factor in determining the site on which to erect a mill.

The company has made final financial arrangements which will enable the mine to go into production by the latter part of May. At present, negotiations are under way to purchase a mill of from 50-100 ton capacity. The Siscoe properties consist of 940 acres situated 32 miles south-east of Amos in Dubison county. Considerable high grade ore is now on the surface at shafts "C" and "D"—available for milling purposes.

HILL TOP WILL BENEFIT FROM GOLD HILL WORK

Two Mines Will Match Their 1,000-Foot Levels

STEAM PLANT AT WORK

Mine Now Pushing Shaft Sinking; Cut at Each 125 Feet, is Plan

Hill Top stands out as one of the very interesting prospects in the Boston Creek camp. Its property totals 480 acres, the Douglas Veteran, Thorburn Veteran and the Boston Kennedy. It came into being following an aggressive surface exploration of the Thorburn Vet claim by George Tough. He did 20,000 ft. of trenching and uncovered in all 24 veins and found commercial ore in eight of these.

The work on Gold Hill which lies to the east focussed attention on the possibilities of Hill Top inasmuch as the break through Gold Hill leads directly into Hill Top. It cuts across Hill Top into a swamp and on the other side of the swamp, 1,000 feet away, comes out as strong as ever.

Steam Plant in Operation

Hill Top sank a shaft a considerable distance by hand steel and now has a steam plant in operation and will carry on down with it for some distance before putting in electrical equipment. The shaft was halted at 140 feet to cut the first station. It will be continued on down and future levels will be 125 ft. apart. It was planned to have the 1,000-ft. level of Gold Hill and Hill Top parallel and a survey showed that by making the first level 140 feet, it would be possible to have the deeper 125-ft. levels and match up the 1,000-ft. levels of both mines.

Open From Gold Hill

The reason for getting the two levels parallel is that the directors of Gold Hill and Hill Top reached an agreement that when Gold Hill ran its drift west on the 1,000-ft. level, it would be carrying on into Hill Top territory and will likely do so until the drift is under the Hill Top shaft. Thus, the mine will be opened at this horizon before the shaft has reached that depth.

This arrangement has many advantages to Hill Top as it will give the company early information as to what to expect at the 1,000-ft. level, which, judging from the work on Gold Hill's 800 level, should be decidedly promising.

McIntyre Reaches Down to 4,000 ft.

McIntyre Porcupine's new shaft, the largest mining excavation on the continent, has been completed to a depth of 4,000 feet. This depth was announced as the objective of McIntyre's big operation. It was commenced two years ago and is regarded as the most important piece of engineering enterprise in the history of northern mining.

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ZINC-LEAD FIND AT SUDBURY HAS ROMANTIC STORY

Deposits Attract Attention From Capitalists In U. S.

MANY YEARS OLD

Shaft Was Sunk in Property as Far Back as 1902; Now Under Option

The new zinc-lead deposit found in the Sudbury district of Ontario by Treadwell-Yukon Company has attracted considerable attention in the United States. The Engineering and Mining Journal-Press devotes considerable space to a review of the property.

The new deposit is 17 miles west of Sudbury, 2 miles south of the main line of the Canadian Pacific Railroad, and about 6 miles north-west of the Creighton mine, operated by the International Nickel Co.

Interesting History of Find

The history of this important find is of interest. A sulphide outcrop in the immediate neighborhood and on the present property was known for many years. Joseph Errington, in behalf of Captain De Lamar and Colonel Thompson, sunk a shaft upon it and did some prospecting in 1902-3. However, both De Lamar and Thompson lost interest in the sulphide deposit because no nickel was associated with the sulphides. In addition, the sulphide deposit was not attractive at that time, as it was a complex mixture, the treatment of which promised to involve great difficulties and an uncertain outcome.

Several years later a diamond-drill hole was put down about 600 ft. three miles to the east of the shaft first mentioned, and it cut sulphide ore similar to that first found. Errington obtained possession of the cores of this hole and noted that it presented the same characteristics of the ore-body which he had partially explored. Having in mind the fact that complex zinc ores were being successfully treated by flotation, Errington sensed the importance of the exposures that had been made at two points separated by a three-mile interval. There were several intermediate exposures, and he became convinced that there was a long, substantial ore channel. With this idea foremost, he secured options extending several miles along the strike of ore occurrences. Later when he showed the diamond drill cores to F. W. Bradley, the possibility of lead being associated with the zinc sulphides was advanced by Bradley and an analysis indicated the presence of lead in significant quantities.

Took Story to Bradley

Errington had been associated with Philip R. Bradley when the latter was investigating the Sudbury nickel district and subsequently when he was superintendent of smelting operations of the International Nickel Co. Errington knew that both of the Bradley brothers were interested in lead and zinc-lead properties, and to them he presented his final conclusions. Oscar H. Hershey was sent to make a geological study and to report upon the situation. As a result of his report, the Treadwell-Yukon Co. assumed Errington's options and in July, 1925, started a diamond-drilling program that occupied about a year. Eighty-eight holes, aggregating 45,000 ft., were drilled. This pioneer work confirmed earlier deductions and gave a clearer picture of the entire area. Additional options were acquired during the course of the drilling. and the present area now under option comprises 4,000 acres, covering the strike of a shear zone for 25,000 ft. After the completion of diamond drilling a site was selected and a 300-ft. vertical shaft was sunk. A crosscut was extended and an orebody 20 ft. in width was cut.

Geology of Find

The geological conditions are as follows: The Sudbury area of norites and other basic rocks incloses an elliptical area 30 miles east and west and 18 miles north and south. Within the area are conglomerates, tuffs, slates, and sandstones that form a syncline. A dominating fault and shear zone extends east and west south of the major axis and across the inclosed area of sedimentaries and metamorphic rocks. The shear zone dips 45 deg. to the south. The ore occurrences lie within the shear zone over 1,000 ft. in width. During the glacial period the elliptical area was occupied by a lake, which was subsequently drained by erosion cutting through the limits of the basin. The slit left by the lake masked most of the underlying rocks, but on one of the exposures the sulphide ore outcrop was found, as related in the historical outline given before.

Abundant evidence of the occurrence of a series of lenses of complex ore is now available. The ore varies in composition between wide limits. It contains zinc, lead, copper, silver, and gold. Present plans call for the extension of exploratory and development workings and the working out of the metallurgical problem. The presence of graphite in the ore promises to complicate the ore treatment. Methods for treating the ore are under experimental investigation. Upon their outcome depends the initiation of mining and milling. Mining operations now under way are in charge of G. M. Wiles.

Ownership of Options

The ownership of the option is held by the Treadwell-Yukon Co., which is further divided among the Alaska Treadwell, the Alaska United and Alaska Mexican. These companies are all under the management of F. W. Bradley and his brother, Philip R. Bradley.

Joseph Errington is a director of McIntyre Porcupine Mines and has been a pioneer in mining in eastern Canada since the early 90's.

Sound Advice for Women Speculators

If you are going to buy mining stock, put 70 per cent. of your funds into the best stocks, like Hollinger, International Nickel, Lake Shore and others. Then if you want to take a flier in some of the others, your good stocks will protect you if you lose. This was part of the sound advice Cyril T. Young recently offered a meeting of the Women's Canadian Club of Toronto. He had an equally sound piece of advice to offer when he told them to ignore the stock switchers—those who attempted to take their good certificates on strength of their statements that the mine was petering out and who would give them shares in some wildcat in exchange.

EXPAND WRIGHT HARGREAVES IS DIRECTORS' PLAN

Still Looks Forward After Best Year in Mine's History

Further expansion and increased development must come immediately, as clearly indicated in the results achieved during the past year, is the keynote sounded by President Oliver Cabana, Jr., in his annual report to the shareholders of Wright-Hargreaves Mines. From a production standpoint the past year was the greatest in the company's history. Tonnage treated, millheads and profits were in excess of all previous records. Extensive development and improvements were undertaken during the year and despite this extra expenditure, cost of operations was less, while the value of bullion produced increased from $1,913,401 in 1925 to $2,150,843 in 1926.

"The year 1926 has been the greatest in our history," reports Mr. Cabana, "as to the yearly production, tonnage, millheads, and profits, as well as for the bright future it portrays. There is no gainsaying the fact that we are on the threshold of greater things—that expansion and increased development must come immediately, as is clearly indicated by our showing for the year just closed.

"As an evidence of our rapid advancement, allow me to submit the following resume of your company's growth during approximately the past eighteen months: In the spring of 1925 we increased our milling capacity from 200 tons, presumably to 350 tons, but with a few minor changes were soon running over 400 tons per day. Now, we are advising an immediate and substantial increase to our present tonnage.

Dividend Policy to be Decided

"The question of a more definite quarterly dividend policy will be taken up by your directors at a meeting to be held shortly, and there is every reason to believe that with the earnings now more permanently established, a regular dividend in keeping with the company's increased earnings should be favorably acted on.

"With the installation of the new compressor shortly, whereby air capacity for underground operations will be exactly doubled, and the early erection of a new head frame and installation of a new hoist at our main shaft, giving us two complete operating shafts with facilities to sink to depth of 3,000 feet or more, plus our increased milling capacity, the year 1927 bids fair to be by far the most profitable in the history of the company.

"Our efforts will then be directed to the continued opening up of our centre claim, on which we have worked since commencement of operations, together with developing and exploring our two larger claims, adjoining our centre claim on either side, lying directly on the line of strike, and bounded on the west by Lake Shore Mines, Limited, and on the east by Sylvanite Gold Mines, Limited. These claims are practically virgin territory."

Production Costs Lower

The manager's report shows that 153,392 tons of ore were treated and the bullion recovered therefrom amounted to $2,150,843, or at an average per ton of $14.02, as compared with $12.93 in 1925. The mill operated 88.60 per cent. of its possible running time and treated an average of 420 tons per day. The summary of development and exploration work for the year includes 3,772 feet of drifting, 828 feet of shaft sinking, 635 feet of cross cutting and 602 feet of diamond drilling.

During the past year, the company paid 37½ per cent. in dividends, amounting to $1,017,500. This compares with only $412,000 during 1925.

The company has now paid an aggregate of 97½ per cent. in dividends, and with every assurance of substantial increase in the future rate of disbursements.

Capacity Largely Increased

Estimate of capacity of 600 tons daily at an early date, have indicated a rate around 219,000 tons annually. The grade of the ore is not only being maintained at depth, but values are increasing. This seems to assure continued average of $14 per ton or more, and would indicate output at a rate of about $3,000,000 a year. Given profits of approximately $9 per ton, and the net profit would reach $1,971,000 a year—equal to about 70 per cent. on the company's issued capital. This fact tends to indicate a further very substantial increase in rate of dividends is near at hand, and will probably reflect itself on the disbursements for the current year.

The balance sheet shows current assets amounting to $1,730,107, including cash assets of $1,520,238. Plant and equipment are carried at $371,849, and mining properties at $1,271,275, after allowing for depreciation and exhaustion. Current liabilities are shown at $142,413. Net surplus from 1926 operations was $1,392,746 and total surplus $1,858,608. Dividends were paid during the year amounting to $618,750. The sum of $114,000 was set aside as provision for exhaustion of the mine, and $100,000 for 1926 taxes.

The profit and loss account shows bullion production $2,150,843. Operating costs, $819,396, and operating profits, $1,331,447. Other income amounted to $61,299.

Wright-Hargreaves Expands in 1926

	1926	1925	1924	1923
Production	$2,150,843	$1,913,402	$1,088,725	$754,978
Other income	....	37,174	26,838	19,958
xTotal costs	758,097	740,931	535,049	470,032
Net income	1,392,746	1,209,693	580,514	304,904
Cash assets	1,587,695	1,204,449	710,753	373,287
Current liabilities	142,413	402,643	75,806	54,440
Net cash	1,445,282	801,806	634,937	318,847
Dividends paid	618,750	412,450	206,250	137,500
Plant and equipment	....	317,263	349,942	334,906
Free surplus	1,025,822	458,515	172,635	55,038
Tons treated	153,392	147,939	84,487	79,242
Value per ton	14.02	12.93	12.89	9.52
Broken ore, tons	....	......	118,331	75,815
Tons per day	420	402	230	217
Total footage	29,156	23,921	18,008	11,734
Drilling, feet	5,352	4,750	2,516	2,376
Costs per ton	5.34	5.37	5.52	....

x—Including depreciation.

"SMELTERS" STOCK TO BE UNCHANGED

Earnings Increase Largely Over 1925 Figures—Statement Issued

From Our Own Correspondent.

MONTREAL.—The Consolidated Mining and Smelting Company of Canada has issued a preliminary earning statement for the year just concluded. After deducting depletion, depreciation, contingent account and taxes, and after also deducting $2,274,771 for additions to property, profits for 1926 amount to $8,615,735, as compared with a figure of $6,219,843 in 1925. In the 1925 year there was deducted $3,560,739 for additions to property from profits.

It will be seen that figured on the basis of the larger deduction for additions to property in 1925, earnings for 1926 were at least $1,000,000 in excess of the 1925 figures.

On the basis of deductions made last year, net profits would be equal to $24.25 per share on the stock, as compared with $22.11 per share in 1925.

Recently, there has been a great deal of talk about a split up in the shares of the company, but this will be probably silenced by the following statement which was issued by the management:

"In reference to the suggestions from some quarters that the shares of the company should be divided, the directors do not think such action either necessary or prudent at the present time. It has been urged that the current high market price of the shares prevents a wide distribution, which it is asserted is not in the interests of the company.

"An analysis of the shareholdings at the end of the year discloses that exclusive of what may be described as 'Canadian Pacific' shares, i.e., shares held by the Canadian Pacific Railway Company and its associates and friends—approximately two hundred thousand shares are held by about two thousand persons—an average of about one hundred shares per person.

"The Consolidated is essentially an operating and producing enterprise, and while the company is making satisfactory progress, there would seem to be no good purpose to be served in a division of its stock with the object of securing wider distribution when the disadvantages of that course would exceed any benefit to the company, especially when such a large proportion of its shares is held by the Canadian Pacific Railway Company and permanent investors whose holdings will not reach the market."

Put Diamond Drill to Work On Hunton-Kirkland Mine

Diamond drilling operations have been started at the Hunton-Kirkland Mines. The first hole is being put down from the 675-foot level and its purpose is to give an idea of the depth of the greywacke, the formation in which the vein occurs at the 675 and 725-foot levels. It is under the greywacke the company expects to locate porphyry. Should this occur it is likely values will be found higher in this area than those so far revealed in the work done at the mine. Once the porphyry is located the company will be able to spot drill holes to tap the vein below the greywacke.

Peterson Cobalt Meet Encouragement in Work

While not the main development of the Peterson Cobalt Mines, considerable encouragement has been met with in development of a massive smalltite vein found in cross-cutting at the 155-foot level. This cross-cut was being run to establish a station for the winze that is to go down to the 330-foot level.

Thirty feet of drifting showed patches of high-grade silver in this vein. It was again encountered 84 feet farther north, where an encouraging amount of native silver was found in the wall rock. Development on the vein is proceeding.

Cross-cutting is under way south-east from the 330-foot level of the old Little Nipissing workings. This is to go to the contact of the diabase and keewatin, when the working will be continued as a winze. The ground to be explored is at the north-east end of Peterson Lake, between the Little Nipissing workings and the Nova Scotia arm of the lake. Conditions similar to those at the O'Brien Mines obtain here and the management is hopeful of meeting with important results.

Potter-Doal Vein

Potter Doal have uncovered a high mineralized vein for a distance of over 96 feet, and average six feet ten inches in width. Diamond drilling will commence on the property in the course of a few days.

HUDSON BAY-KIRKLAND

Company Studies Veins at Depth of 1,000 Feet

The existence of a break south of the No. 1 vein of the Lake Shore Mines, showing in the diamond drilling a width of 13 feet, has been indicated on the Hudson Bay-Kirkland Mines property at a depth of 1,000 feet.

Nine holes have so far been put down on the Hudson Bay-Kirkland. Drilling was commenced last May, but has not been continuous.

In addition to the diamond drilling some surface work has also been carried on at the Hudson Bay-Kirkland, resulting in the opening up of a number of interesting veins.

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LOOK FOR BUSY YEAR IN CENTRAL MANITOBA AREA

The Biggest Undertaking is Central Manitoba Mines

EXPLORE OTHERS

Quite a Few Properties Under Option and Work Will Be Carried on Very Extensively

Central Manitoba expects to have a year of great activity in 1927.

The most outstanding work is already in progress, this being the construction of a crushing plant and mill on the property of the Central Manitoba Mines, which, with underground work in the mine, entails the expenditure of a million dollars. In connection with this work a power line is being erected from Great Falls into the heart of the mining district at a cost of approximately $250,000.

Reports On Property Excellent

Reports from officials of Central Manitoba Mines show that very satisfactory results are being obtained in development work. The company has a long ore shoot carrying good values and has during the past few months made notable additions to its ore reserves. The property is large and possible extensions of the workings have been well provided for.

There are many known occurrences of gold in the area east of Lake Winnipeg and intensive exploration should prove some of them to be of economic importance. Early efforts were disappointing; but with one producer in successful operation further work will be done in the area and new discoveries may confidently be expected.

Diamond drilling operations are being conducted on both the Cryderman property, owned by the Mining Corporation of Canada, and on the Luleo properties, owned by the Selkirk Gold Mining Company, of New York.

Work on Eldorado

On the Eldorado property, 2½ miles distant from the Central Manitoba Mines, Ltd., mining machinery has been ordered, and will be taken in over the winter roads, large enough to develop the property to 1,000 feet in depth. After installation of the machinery construction of power line of sufficient weight to carry a load of 500 horsepower from the substation at the Central Manitoba Mines, Ltd., the company proposes to sink to a depth of 500 feet, cutting stations at 125 feet, 250, 375 and 500-foot levels and to drift on those levels to prove the values found on the surface, and also to prove up ore tonnage in order that the size of mill required may be decided.

Active work is in progress on the San Antonio property under direction of J. D. Perrin, finances for this work having been arranged in New York, the group interested being an exceptionally strong one financially, and having extensive interests in eastern Canada.

Bring on Betty Group

A crew of 15 men are engaged on the Betty group, owned by the English Brook Gold Mining Company, under the direction of Hughie Smith, and an active season's work on this property is anticipated, the finances having been arranged locally. There are some other likely looking properties in the English Brook district, and though a definite programme has not been arranged it is likely there may be some work done on the Ling group of claims.

A considerable amount of money will be spent on the Mirage group in the neighborhood of Bidou Lake, while the Ripstein interests are planning some large expenditures on various properties owned by them, these interests being pretty well spread over the entire district.

At Flint Lake and Slate Lake local companies have crews of men at work doing surface work, and they plan to extend this work as the season advances.

Explore Timmins' Property

On the Maberley group, under option to N. A. Timmins, exploration work is being carried on under the direction of H. Nelson Darling, and this work is being extended to cover other claims in the vicinity, including the Noranda and the Shirley, both of which, it is believed, are under option to the same parties.

This does not conclude the entire list by any means, as some work is being planned on the Kingfisher group, the Lotus group and several other groups of claims, which during the past year have been consolidated, while it is also understood some active steps are to be taken in uncovering copper properties in the Bird River district.

Plan to Go Down 400 Feet on Jay

Development at the 100 and 200-foot levels of the Jay Copper Gold Mines is Proceeding. The latter depth is showing an improvement over the 100-foot and copper content of the vein was higher at the 100-foot level than on surface. Sections of massive sulphides have been opened up. The management believes the width of the ore will average eight feet, though not all of the width is shown in drifting. Somewhat over 200 feet of drifting has been done at the 200-foot level. The east face is now poor, but there is no diminishment in grade or width in the west drift and it looks as if this would continue. Near surface the vein was split in several sections, but these have come together at the lower levels.

A parallel vein 250 feet south is being crosscut. This will be completed in the course of the next couple of weeks. At the end of the month the working had progressed 125 feet. Soon after this is cut it is intended to continue the shaft to a depth of 400 feet.

Mines Comfortable Underground; Forty Below on Surface

It is rather a remarkable change to visit the Rouyn camp during a spell of severe zero weather and go underground at the Horne. After having discarded the bulk of the necessary heavy clothing it is possible to walk through the mine in perfect comfort.

It is difficult to note any change underground in the cold winter weather as compared with the warm summer. It is stated that there is no change. It is just a little better than cool always. The miners wear wool underwear the year round.

Some parts of the mine were quite cool, where connections had been made with the new shaft. Here a heavy down draft was experienced but this was being handled by a door swung across the crosscut at an advantageous point. This condition will be remedied when the new headframe is in place and the shaft house is closed in. At present there is only a temporary headframe at the new shaft and it is open.

Expect Tough Oakes To be Good Property

People around Kirkland Lake think that Tough-Oakes-Burnside will be the next largest and important producer in the camp. They have to the east of the fault a large and undeveloped acreage of which the porphyry formation is at least twice the width of the main section of the camp. From the old workings a certain amount of development work has been done in this section a condition improving at depth, and with some very spectacular ore in the vein on the 1,200 foot level. From the 1,300 foot level a cross cut is now being run to intersect this vein. On the same track a few claims to the east over properties are meeting with favorable and encouraging results, and it would therefore appear that T. O. B. is now passing through a similar stage as did Teck-Hughes a few years ago. On the west of the fault they are now sinking from the 1,350 to the 1,600 foot level and it is expected that they have at least one year's ore in sight. Their tonnage is being reduced to 150 tons per day, but according to reports, mill heads will not be affected, but if anything, increased, as they will be treating a higher grade of ore.

Crosscut on Barry

Crosscutting is being pushed steadily at the 1,000 foot level of Barry-Hollinger. The drive is being run almost due south. The main deposit lies about 160 feet south, but other veins will be intersected between the shaft and that point.

Build Telluride Mill

Building materials are being delivered to Telluride and the erection of the mill will begin soon. The contractors are undertaking to hand over the finished building by April 15th and mill machinery contracts provide for the delivery of all equipment by April 1.

EXPECT CANADA TO OVERSHADOW U.S. GOLD OUTPUT

Canadian Production Grows Rapidly as U.S. Declines

The world's gold production in 1926 is estimated by H. N. Lawrie, managing director of the American Gold and Silver Institute, Washington, at $388,500,000, a decline of $1,000,000 from the revised estimate of 1925. Through the co-operation of the Bureau of Foreign and Domestic Commerce, cabled estimates were obtained from a large number of the principal producing countries, and this year it was possible also to obtain through the Soviet Information Bureau a cabled estimate from Moscow of the 1926 Russian production.

"Under favorable labor conditions," says Mr. Lawrie, "the Transvaal in 1925 produced 9,598,000 oz. of gold, valued at $198,408,000, which was a record year. Under still more favorable labor conditions, the production of gold in the Transvaal in 1926 is estimated at 9,960,000 oz., valued at $205,891,000 or an increase of 362,000 oz., valued at $7,483,000, which establishes a new high record. In Mexico the production of gold declined from $16,310,000 in 1925 to $12,821,000 in 1926, or a decline of $3,489,000. The production of refinery gold in continental United States declined from $47,957,000 in 1925 to $45,268,000 in 1926, or a decline of $2,689,000. Russian production, in accordance with the best estimates obtainable, is about the same as last year, $17,500,000, with a probable increase of $500,000 with more complete returns. The production of the Province of Ontario, Canada, it is estimated, will exceed $31,000,000, indicating an increase over last year of more than $1,500,000. The incomplete returns from the Yukon and western Canada indicate declines, but the production for the Dominion this year should not be less than $36,250,000, an increase of approximately $500,000 over that of last year. These are the principal changes in production, there being only minor variations from last year indicated in the productions of other countries.

"The United States produced 21.5 per cent. of the world's highest production in 1915, $468,799,812, and has since contributed a continually decreasing percentage, until in 1924 it was 13.4 per cent.; in 1925, 12.8 per cent.; and in 1926, only 12.2 per cent. Canadian prospects for increased production in the near future are good, and unless some constructive assistance be rendered the domestic producers of gold, the production in Canada will probably overshadow that in the United States in the not far distant future."

Looms Brilliantly on World Horizon

A concise summary of the development going on in Quebec was recently given by A. E. Moysey & Co. to clients. It reads:

That vast track of mineralized territory in Northwestern Quebec, familiarly known as the Rouyn Copper-Gold Fields, looms with increasing brilliance on the World's mining horizon. In the brief period of about four years since the first sensational discovery, by Ed. Horne, on the property now owned by Noranda Mines, was heralded to the outside World, Quebec's mining industry has forged ahead in a remarkable manner, so that to-day Rouyn is one of the most active mining centers on the North American Continent, and is committed to one of the broadest and most intensive campaigns of scientific exploration, development and construction ever undertaken in the history of Canadian mining.

Keeley and Vipond

Huronian Belt Company announces that during January 124,956 ounces of silver and 11,004 pounds of cobalt were produced by Keeley Silver Mines. At Vipond, 8,556 tons of ore were milled and bullion to the value of $60,300 was shipped during the month.

Plan to Merge Catherine Gold With Other Claims

Plans are in progress to merge Catherine Gold Mines with a number of neighboring properties. The plan is one under which a comparatively small block of stock in a new company would be issued in exchange for each of the properties going into the amalgamation.

It would give the new company ownership of a large acreage, and with a large part of the stock held in its treasury for financing of developments.

Report on Placer Gold of Barkerville, B.C., Area

The Geological Survey of Canada has published a report by W. A. Johnston and W. L. Uglow on the placer and vein gold deposits of Barkerville, Cariboo district, British Columbia. The rich gold placers of Barkerville were discovered in 1860 and still hold a great deal of interest for the mining man. The total production probably amounts to $35,000,000, of which more than half was likely recovered during the first ten or twelve years of the camp's history. The report contains detailed descriptions of deposits on the various creeks, of the history of operations, of the character of the old workings and of the amount of gold recovered. Present conditions are described and suggestions are made regarding possibilities of further production. There is a chapter on the gold-bearing quartz veins of the area and the conclusion is reached that the placer gold was derived from the belt of quartz veins through the long processes of decomposition and erosion of the enclosing rock and quartz.

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HATTIE-BEATTY SHAREHOLDERS RECEIVE OFFER

Papassimakes Invites Them In on the J. K. Mines

Shareholders in Hattie and Beatty mines, who had a most unfortunate experience in their investments in that company, are going to be given another opportunity to make their fortunes in mining.

John K. Papassimakes, who was connected with those other two companies, has formed another company that he calls J. K. Mines. He has forwarded a letter to Hattie and Beatty shareholders offering them new stock for old, if their old stock is accompanied with cash. He says in a letter to the stockholders:

"A new company, the J. K. Mines, Ltd., capitalized at $3,500,000, has been formed for the purpose of consolidated properties in the Painkiller Lake district, and centering large scale development in an economical manner under a skilled technical engineering control, adequately financed.

"To date, approximately one thousand acres have been acquired for the J. K. Mines, Ltd., and plans now in the course of completion will, when effected, give the property over two thousand acres of patented claims in one block. Owners of the various properties are being paid in pooled stock in the new company, in order that no sale of vendor stock shall interfere with the development of the properties, and the present financing, when completed, will give the new company $200,000 in cash and 500,000 unissued shares of treasury stock.

"The new company has received a guarantee of $200,000 for treasury purposes after examination, of which cash payment of $100,000 will be made immediately after acceptance by examining engineers.

"Surface showings in the Painkiller Lake district indicate that the veins from every direction converge under the northwest corner of Painkiller Lake, which is owned by the J. K. Mines Ltd., and this area will be developed at depth, in addition to which the J. K. Break gave good values at a depth of 165 feet on the Hattie property and has been traced on surface for approximately 4,000 feet, will be developed at other points.

New Stock Is Pooled

"As the original operator in the Painkiller Lake area, I received assistance from you as shareholders in the Hattie and Beatty Mines. Through circumstances over which I had no control, the Hattie Company was thrown into liquidation, and the Beatty placed in a position where continuance of work was impossible.

"In order to give such shareholders in my old companies as may desire an opportunity to participate in the new company in proportion to their old holdings, I have arranged that the offer of one share of pooled stock in the J. K. Mines, Ltd., be issued to them in exchange for every ten shares of Beatty stock or of Hattie common or preferred which they now hold, providing they purchase a second share of pooled stock at 50 cents. That is to say, the holder of 1,000 shares of either Hattie or Beatty may acquire 200 shares of J. K. Mines, Ltd., for his old stock, plus $50, and holders of other amounts in proportion. I am turning in my own holdings on this basis.

"While the J. K. Mines, Ltd., has reserved sufficient stock for this purpose, I wish it to be distinctly understood that this offer is not a part of the deal to raise the $200,000 mentioned above. It is made not with the idea of financing the new company, but simply to give shareholders of Hattie and Beatty valuable rights which, when the J. K. Mines, Ltd., reach a producing basis will enable them to recoup their earlier losses.

"These rights are good for thirty days only, expiring March 31."

Mining Inquiries

Peterson Cobalt

Would appreciate a report on the position and prospects of Peterson Cobalt Mines.

Peterson Cobalt is an attractive looking silver speculation which is carrying on an aggressive operation in the Cobalt camp period. The company is in good financial position.

Petroleum Royalties

Will you give me your opinion of Petroleum Royalties Company of Tulsa?

We have been endeavoring to get some detailed information on Petroleum Royalties of Tulsa, but are unable to find anything satisfactory. It looks like the ordinary royalty proposition which is subject to the ups and downs of the crude oil market.

Interior

What do you think of Interior Oil as a buy around 15?

Interior Oil, operating in the Wainwright field is an oil gamble much the same as other companies operating in that and other sections of the Alberta field. They have had some measure of success in the Wainwright field, but slow progress has been made, and it is difficult as yet to size up the possibilities of the area.

Tough-Oakes

I hold the following stock: 5,000 Tough-Oakes, bought at 66; 100 Keeley, bought at 2.25; 500 Vickers, bought at 1.30. What do you think of these?

This is not a strong list.

Tough Oakes is quite speculative and you are holding a very substantial block of it. The proposition looks as if it might work out in the end but it will be a long hold.

You are down on your Keeley considerably but, of course, you are getting very excellent dividends from it, which saves the situation.

Vickers has got a very good showing on surface in Rouyn and they propose to diamond drill. This stock is to be regarded as an attractive speculation.

Wants a Broker

I would like the name of an established firm of stock brokers in Toronto, handling mine shares.

In the Mining Columns of The Financial Post, you will find the advertisements of a great number of brokers in Toronto and Montreal dealing in mining stock, any of which you should find quite reliable.

Keora

Why are Keora shares selling so low and South Keora so high when Keora holds 2,000,000 shares of South?

The situation is most unsatisfactory. We should judge that the true market is the Keora one. Its outlook is not attractive. There is very little South Keora stock in the hands of the public which makes it easy to hold the market at its present high level.

Gull Kirkland

Kindly furnish us with a report on the present standing of the Gull Kirkland Mining Co., Limited, Toronto.

Gull Kirkland Mining Company is a prospect which is diamond drilling in Gull Lake, east of the producing section of Kirkland Lake. Reports have been circulated, recently, that the company has secured finances in New York. This may mean that they have optioned a certain amount of their stock to some New York house.

International Nickel

What of the shares of the International Nickel Company? Are they any good?

The shares of the International Nickel Company are regarded as a satisfactory speculative purchase. The company is steadily working into a stronger position, and is developing new industrial uses for the metal which it produces. Thus it is broadening its markets. The shares look good for long hold.

Abitibi-Harker

Please advise through your valued paper on Abitibi Mines, also Harker Mines, in Lightning River district. Has either of them sufficient merit to warrant taking a chance on by business man who could afford to lose?

Abitibi Mines and Harker Gold Mines are both located in the Lightning River area. The Harker has a shaft from some seven hundred and fifty feet on a vein which was opened out for a distance of 5,000 feet. The operation is controlled by Jack Hammell and is in very excellent hands. At the present moment he is planning on financing the operation to proceed with developments. You would get a very good run for your money in this proposition.

Abitibi Mines is a prospect on which some diamond drilling only has been done. I don't think there is any intention of operating at the present time.

Gold Hill

I would greatly appreciate if you will kindly arrange to advise me concerning Gold Hill Mines and their prospects. Would you consider this issue a good speculation?

Gold Hill Mines are regarded as a fair speculation at the present price. We would be better able to advise you if there were an independent engineer's report available on the property, while there has been some talk of having such a report made, no action has been taken.

Trethewey-Ossian

What is your opinion of Tretheway-Ossian? Have they actually started diamond drilling yet?

Trethewey-Ossian is a prospect in the Boston Creek section on which very little work has been done. We made an effort to get in touch with the heads of the company to find out if diamond drilling had been started, but were unable to do so.

Boston Creek area has had a slight measure of success but is considerably removed as yet from being a proven mining camp.

Hunton and Others

Would be glad to have your opinion on Kirkland-Hunton at the present market price; also Tough Oakes and Barry Hollinger. I hold some Vipond, bought at $1.64, and am thinking of purchasing more. Would you consider it a reasonable investment, or is the mine still a speculation?

The four stocks you ask about present four knotty problems, Hunton, Tough Oakes, Barry Hollinger and Vipond.

Hunton has met with a certain measure of success and has got some very rich ores in its development. There is some talk now that they are out trying to get additional property.

Tough Oakes is gradually working into a better position and is carrying on some very important developments right now in driving down to the 1,500 foot level. They really expect to get ore at that horizon that will put the mine on a profitable basis.

Barry Hollinger is up one day and down the other. The president of the company produces assays, lengths of ore bodies, widths that make the venture look very, very attractive, and yet the mill, so far, fails to reflect such very attractive ore as these figures would indicate.

Vipond has us guessing. They do not seem to be getting the ore. The venture may work out very profitably but stock around $1.60 with the mine still speculative is fairly high.

Harvie

I have been approached to invest some money in the Harvie Mining Exploration Co., Ltd., and as I have seen their ads. and a few write-ups in your valuable paper regarding them I was wondering if you would let me have your views on this company. As this company seems to be founded and more or less backed by Dr. Harvie, could you give me any information regarding him? Also if you consider this company a good speculation. By that I mean would I stand a good chance of making any money in it? Or is it merely a straight gamble? I have made money on Noranda and Teck-Hughes and would have to realize on them to enter this company.

The Harvie Mining operations are a straight-forward, skilful mining proposition. Our mining editor recently spent a day on their property and was very much taken with the way they have carried things on. They were just getting into a very attractive zone underground when he was there and since then they have broken into very sensational body of copper and zinc ore. You will find a complete outline of their operation in our issue of the 11th of February.

MINING STOCK QUOTATIONS
Week Ending February 15

	Par Val., $	Div. Rate	Yield	High for wk.	Low for wk.	Close Feb. 15	Sales for wk.	Range, 1926 High	Range, 1926 Low	Range, 1927 High	Range, 1927 Low
Aconda	.	...	...	34½	28	32	30900	..	..	45	28
Amulet	1	...	...	1.55	1.36	1.38	225215	2.98	.90	2.89	1.36
Algonquin	1	...	...	2¾	2½	2¾	36000	6¼	1¼	5¼	2½
Apex	1	...	...	3	2¾	2¾	3000	6	2¾	3½	2
Area	1	...	...	.63½	.51½	.55	171050	1.55	.21	1.95	.48¼
Argo. Con.	1	...	...	44	40	40¼	130150	67	18½	58	40
Atlas	1	...	...	3	2⅞	2	20000	5	1⅝	3	2
Abana	1	...	...	25	25	25	1400	..	..	25	20
Amos	.	...	...	45	44	44	8800	..	..	56	40
Andean	.	...	...	22½	21	21	15100	..	..	22½	21
Ajax	.	...	...	35	9	34	73875	..	..	35	6½
Baldwin	1	...	...	3	2¾	3	54500	6⅞	1	4¾	2½
Barry Holl.	1	...	...	70	59	66	459270	1.00	.21	1.00	59
Beaver	1	...	...	69	66	66	31900	99	51	75	59½
Bellellen L.	1	...	...	21¾	21½	21½	14100	23½	20	23	17
Bidgood	1	...	...	7½	5½	7	12000	9⅝	4½	9½	5½
Boston Creek	1	...	...	1	⅝	⅝	4500	7½	2½	1	⅝
Bourlamaque	1	...	...	1.53	1.50	1.52	34200	1.45	1.02	1.53	1.43
Buckingham	1	...	...	7¾	6½	6½	47800	7¾	2	9¼	6
Boischatel	.	...	...	20	12	18	117830	..	..	27	12
Bard M.	.	...	...	97	88	90	38500	..	..	97	50
Can. Lorrain	1	...	...	61	57	57	13700	93	57	72	51
Capitol S.	1	...	...	28	26	26½	32650	48½	24	34	25
Castle Tre.	1	...	...	1.15	1.05	1.08	59625	1.85	.91	1.27	1.02
Chaput H.	1	...	...	6	5	5	5700	22	3⅛	8½	4⅝
Clifton	1	...	...	1¾	1½	1½	4000	6½	1	2	1
Coniagas	5	...	...	4.25	3.95	4.10	1525	4.85	3.00	4.40	3.90
Coniarum	5	...	...	3.20	3.00	3.15	1705	4.45	3.00	3.50	3.00
Col. Kirk.	1	...	...	2¾	2¼	2½	53250	6¾	2	2¾	2
Cons. Smelter	25	10	4.06	249	245	246	2266	265	177¼	255	242½
C. W. Dome	1	...	...	16	13¾	14¼	171375	29½	14	19	12½
Crown Res.	1	...	...	9¾	8½	8½	26100	24½	8	11¾	8½
Corona	1	...	...	23	19	19	62600	37½	20	37	19
Capital R.	.	...	...	22	21	21	11100	43	26	54½	18
Destor	.	...	...	43	42	42½	11300	41	40	43	40
Davidson	1	...	...	..	..	..	...	3	1½	3	2¼
Dome Mines	None	2.00	22.10	9.25	9.00	9.05	6435	20.00	8.00	10.85	9.00
Don Rouyn	1	...	...	40	30	34	101650	61	25	56½	30
Duprey	.	...	...	..	..	..	...	..	..	10	10
Duprat	1	...	...	24½	20	20	253850	35½	10	34½	20
Fiske	.	...	...	..	..	..	...	16	12	30½	18½
Gifford	.	...	...	1¾	⅞	1½	73000	..	..	1¾	⅞
Everett	1	...	...	4	4	4	4400	12¼	3¾	5½	3¾
Goldale	1	...	...	27½	25½	26½	82600	43	24	30	20
Gold Hill	1	...	...	50	40	42	159633	73½	25	54	40
Gold Reef	1	...	...	1½	1½	1½	3000	5	1	2½	1½
Grover Daley	.	...	...	21	18	20	141700	32	22	37	18
Hill Top	1	...	...	20	15	15	21700	31¾	20	24	15
Hollinger	5	26	6.63	22.55	22.00	22.20	6520	21.00	16.65	22.65	20.00
Howey Gold	.	...	...	49	42½	45	9450	..	..	53	43
Indian	1	...	...	6	6	6	2500	14½	3¾	6	4
Inspiration	.	...	...	..	..	..	...	8	7	..	..
Int. Nickel, c.	None	2.00	4.56	43½	40¼	42¾	14249	46	33	43¾	38
Jay Copper	.	...	...	1.22	1.14	117	12800	110	73	1.22	1.04
Keeley	1	24	14.90	1.64	1.59	1.61	20500	1.91	1.39	1.66	1.45
Keora Mines	1	...	...	10	8½	9	37179	22	11	13½	7
Kirk. Hunt.	1	...	...	27	25	25¼	65000	34	8½	35	25
Kirk. Lake	1	...	...	92	.86	.88	105350	1.44	.69	1.00	.85
Kerr Lake	4	25c	...	..	..	..	...	.90	.90	..	..
Lake Shore	1	40	2.20	18.50	18.10	18.15	9818	16.15	9.60	19.00	15.40
Lakeside	1	...	...	5¾	5	5½	143500	10	1⅛	6	3
Laval	1	...	...	41½	37	38	435675	45¾	21	55	33
La Rose	1	...	...	11½	10	10	3500	39	4	12	8½
Lorrain	1	...	...	2½	2	2⅛	10500	15	2	3¼	2
Lorrain T. L.	1	...	...	..	..	..	...	1.10	.30	.40	.30
Marclay	1	...	...	41	39¾	41	13300	35	30	41	34½
Macassa	1	...	...	31½	30	31½	12465	43	25	37	30
McKinley	1	...	...	15	13	15	26600	26	8½	15	11
McIntyre	5	20	3.73	26.70	26.00	26.50	7100	29.75	22.70	26.90	25.05
Millcrest	1	...	...	5¼	4¾	5	26100	21	3½	6	4½
Mining Corp.	5	12½	...	3.35	3.10	3.25	8319	4.45	2.60	3.50	3.05
Moneta	1	...	...	..	..	..	...	18	11	14	12
Montreal Rouyn	1	...	...	27½	25	27	6300	60	13	32	20
Noranda	None	...	...	21.10	20.40	20.50	19310	24.75	12.00	24.10	19.95
Newray	1	...	...	30	30	30	125	45	31	33	30
Night Hawk	1	...	...	6	5	5	42900	17	3¾	8½	4½
Nipissing	5	12	6.14	9.95	9.75	9.76	24520	9.25	4.90	10.30	8.10
Ophir	1	...	...	4⅜	2⅞	4⅜	69200	4¼	½	4⅝	1¾
N. Amer. Lead	.	...	...	1.97	1.83	1.94	14655	1.75	1.50	1.97	1.72
P. L. Cobalt	1	...	...	12½	10	10	21200	32	14½	14½	9¾
Porc. Crown	1	...	...	10¾	9	9	83850	12	4	11	6½
Pioneer	1	...	...	1.08	1.00	1.05	34025	1.22	.66	1.18	1.00
Premier Gold	1	32	14.83	2.25	2.10	2.13	13070	2.75	1.83	2.25	1.86
Preston	1	...	...	5	4¼	4¼	7000	92	4	6	4
Osisko	.	...	...	1.00	.98	.98	2300	1.94	1.05	1.75	.90
Rouyn	.	...	...	3½	2¾	3¼	20500	9	1⅞	5	2¾
Rouyn, Que	.	...	...	3¾	3	3	3000	4½	1¼	4⅝	2¼
Sylvanite	1	...	...	4.15	4.15	4.15	200	..	..	4.30	2.60
South Keora	1	...	...	51½	49	51	74100	35½	5	51½	35
Stadacona	1	...	...	52	46	46	75900	51	40	55	46
Teck Hughes	1	10	1.57	6.35	6.05	6.35	85024	5.55	2.64	6.80	5.37
Timiskaming	1	...	...	..	..	..	...	15¼	6	7	5½
Thomp. Krist	1	...	...	1	1	1	1000	3½	1	1	1
Tough Oakes	1	...	...	60	55	57	109150	66	36	62½	55
Towagamac	1	...	...	4.35	4.05	4.12	6455	6.10	3.15	5.75	4.05
Do., Rts.	.	...	...	17	12	12½	1324	..	..	19	12
Vic. Silver	1	...	...	18	8	12	365363	96	3⅛	18	4½
Vickers	1	...	...	1.37	1.30	1.30	37400	1.22	.13	1.37	1.20
Vipond	1	3	1.84	1.67	1.60	1.63	71491	2.02	1.49	1.75	1.59
Siscoe	.	...	...	18	16	18	50000	..	..	18	12
Potter D.	.	...	...	33	32	33	16000	..	..	36	32
Ribargo	.	...	...	87	80	80	29950	..	..	87	80
Wakenda	1	...	...	2⅝	2	2	19000	2¾	1	3	2
Wasapika	1	...	...	1¼	1¼	1¼	600	4	1	2	1¼
West Tree	1	...	...	3¼	3	3	1000	4	2	4	3
Wettlaufer	1	...	...	2½	2	2½	11000	10	2	3	2
Wigwam	1	...	...	..	..	..	...	32½	4	4	4
Wrigh Har.	1	37½	3.64	10.60	10.25	10.30	519020	10.00	7.75	11.00	9.35
Waite Mont.	.	...	...	..	..	..	...	..	..	875	840
Vac. Gas	.	...	...	21½	9½	21	89800	..	..	21½	3

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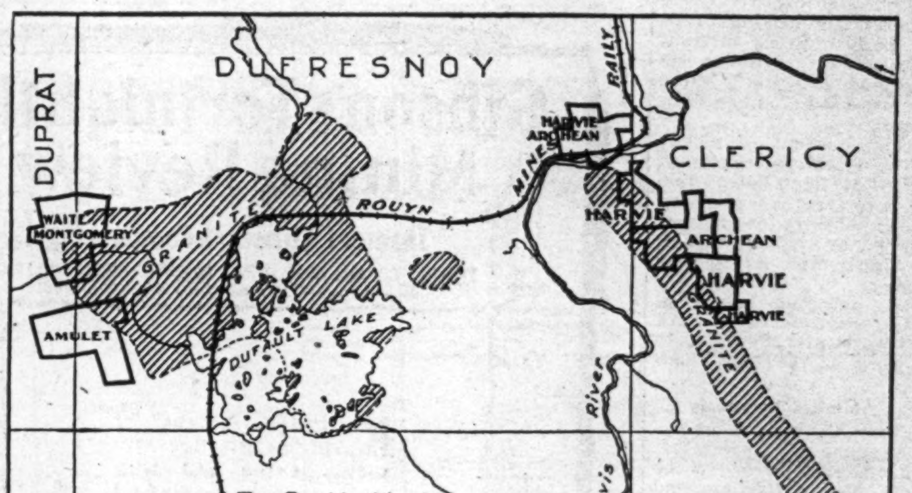

ROUYN MINING AREA, showing relation of several principal operations to the margin of Granite Areas and to Railway Transportation.

OWING to the widespread demand for authoritative information on this company, a special memorandum has been prepared covering field operations, financial plans, etc. Copies will be gladly furnished on request to

HARVIE SMITH & CO., LIMITED
616 Canada Cement Building, Montreal

MONTREAL TRAM HAS GOOD YEAR, SAYS COMMISSION

Commission Issues Report Showing Increased Earnings to Company

From Our Own Correspondent.

Montreal. — The annual report of the Montreal Tramways Commission to the city of Montreal reveals to the shareholders of the Montreal Tramways the improving situation of their company. The Montreal Tramways Company operates under the jurisdiction of the Montreal Tramways Commission and each year, before the publication of the Montreal Tramways Company's report, the Commission forwards its report to the city council. The city of Montreal, of course, obtains revenues from the Montreal Tramways Company.

During the 1926 year the Tramways completed six miles of new tracks and started construction on an additional four miles. The report of the Commission to the city reveals a decided increase in the revenues which are set forth as follows:

Tramways	1926	1925	% Inc.
Rev. pass.	207,754,983	201,503,238	3.10
Car-miles	24,934,224	23,657,062	5.40
Autobus	1926	1925	Inc.
Rev. pass.	5,370,475	1,026,630	4,343,845
Bus-miles	1,543,632	287,694	1,255,938

Extensions are Planned

It is recommended also that the city should in the near future prohibit the parking of automobiles in the business district in order to obtain the advantages which have accrued through such legislation elsewhere.

A paragraph of considerable importance to the Montreal Tramways Company shareholders states that the planning of rapid transit lines has been studied for several years, jointly by the Tramways Company and the commission, and that it is probable during 1927 the commission will be able to appraise the public of the results of the study.

In other words, the tremendous growth in the city of Montreal will soon require expenditures for other modes of transportation. It seems a fair assumption that the present shareholders of the Montreal Tramways Company will ultimately benefit by such projects. Perhaps new companies might be formed to handle rapid transit lines, or the work might come under the Montreal Tramways Company. In any event, the present shareholders might benefit by the issue of rights or by increased earnings.

Fares are Satisfactory

The commission has some very interesting things to say on the fares paid in the city of Montreal, and the report states:

"The average fare was 6.05 cents, whilst in the United States of America, in cities of 50,000 population and over, the average fare is actually 7.42 cents, being 23 per cent. higher than in Montreal.

"The amount paid to the city of Montreal represents 0.51 cent per fare. This, deducted from the average fare, gives the real cost of transportation as 5.54 cents, without taking into account the paving expense which, in many cities, is entirely assumed by the municipality.

"The following is the distribution of the Montreal fare:

Salaries	2.74	cents
Material	1.06	"
Interest on Bonds	.98	"
City of Montreal	.51	"
Maintenance Fund	.30	"
Dividends	.19	"
Taxes	.05	"
Financing	.09	"
Surplus	.10	"
Contingent Reserve Fund	.03	"
	6.05	"

Revenue derived from freight transportation and other sources increases the receipts by 0.16 cent per passenger.

Total Receipts Increase

The total receipts for the year amounted to $12,899,602, as compared with $12,476,567 for the year ending June 30, 1925—the last full twelve months' period covered in the company's annual report. The Tramways Company changed the end of its fiscal year from June 30 to December 31 in 1925.

During the past year the company was allowed operating expenses and taxes amounting to $6,936,719, as against $6,323,000 last year. In 1926 the company's actual operating expenses ran to $380,745 below the amount allowed. The sum allowed the company this year for interest on its capital value amounted to $2,641,429, as compared with $2,460,552 in 1925.

Thus it will be seen that in 1926 the earnings of the Montreal Tramways Company, under its contract with the city, show a satisfactory increase and, in addition, there will remain a handsome balance after the payment to the city of all rentals and taxes. The company is allowed to build up a reserve fund under its contract with the city with such a surplus. When the reserve fund reaches a definite point, the annual surpluses earned are divided between the city, the company, and a toll reduction fund.

The Contingent Reserve

This reserve which the company is allowed to build up is one of the final items allowed the company under its contract with the city. It provides for the creation of a contingent reserve fund of $500,000. Earnings to date have not been sufficient to leave funds over to commence building up such a reserve, but in 1926 earnings were such that the sum of $68,261 will appear for the first time under this heading in the annual balance sheet. During 1926 some of the smaller sundry allowances made to the company increased also.

The report of the Montreal Tramways Commission indicates very clearly the advantages which have accrued to the company and its shareholders through the better management which made itself felt when the property passed out of the control of the Robert interests some years ago.

HOLDING COMPANY GETS PORTO RICO

International Power Company Now Has Control of New Subsidiary

From Our Own Correspondent.

MONTREAL.—The International Power Company has acquired control of the Porto Rico Railway Company by acquiring the majority of the outstanding stock. The minority shareholders of the new subsidiary of International Power have also received an offer for their holdings of $70 per share, or the Porto Rico Railway's common stock may be exchanged for stock of the holding company, in the ratio of two 7 per cent. first preferred and two common shares of International Power in exchange for every three shares of Porto Rico common.

The directors of the Porto Rico Railway have forwarded to their shareholders a letter which points out the benefits which should accrue to the company through its acquisition by the International Power. They point out that by reason of the widespread interests of the International Power Company, that it has at its disposal the services of an extensive and experienced engineering organization, capable of dealing with questions and problems arising from time to time in operations and extensions.

The Porto Rico directors state also that in their opinion the shares of the International Power Company are likely to appreciate in value and that the offer is worthy of favorable consideration.

International Power Grows

The International Power, which was incorporated about a year ago is a public utility holding corporation and its charter provides that the company may also undertake the actual operation of public utility properties.

It now holds all the securities of the Venezuela Power Company and the majority of the stock of the following companies: San Salvador Electric Light; Newfoundland Light and Power Bolivian Power Company and the Demarara Electric. In addition, it owns over 80 per cent. of the outstanding first mortgage bonds of the last named utility.

It can be seen that from the nature of the company's holdings, its revenues come from well diversified sources and in addition to supplying light and power, three of its subsidiaries operate tramways, and one operates a telephone system.

Excluding the Porto Rico Railways Company, the field served includes twenty-four communities having a total population of some 450,000 people. In every instance light and power is supplied under an exclusive franchise, to a total in excess of 26,000 customers.

Canadian Western Lumber

The Canadian Western Lumber Co. reports sales of lumber for the month of December amounting to 5,194,316 feet, realizing $119,708, as compared with 9,711,962 feet, realizing $226,550, for the same month in 1925. Sales for the year amounted to 146,997,887 feet, realizing $3,477,979, as against 124,242,737 feet, realizing $2,940,875 for the year 1925.

National Brick Company Plans Reorganization?

MONTREAL.—It is understood that the plan for a reconstruction of the capitalization of the National Brick Company of Laprairie will shortly be completed. It is said that the proposed plan calls for the issuance of bonds to the extent of approximately half the par value of the preferred shares now outstanding. The proceeds of the bond issue will be used to pay $40 in cash to the present preferred shareholders, who will receive in addition one-half share of new preferred stock and one-half share of new no-par common stock for each share of preferred now outstanding. The dividends on the present preferred issue were over 23 per cent. in arrears at the close of 1926.

The company's four plants are located within the province of Quebec, and have a daily capacity of 500,000 bricks and 100 tons of hollow building tile.

The present capitalization and the one mooted are as follows:

Present capital:	
Pref. Shares	$3,339,600
Common Stock	2,000,000
Proposed capital:	
Bonds	$1,600,000
Preferred Shares	1,669,600
Common Stock (no par value)	24,696 shs.

If this plan be carried out, the common shareholders would obtain two new shares of no par value for every five shares which they now hold.

We Recommend:-
TORONTO BREWING & MALTING COMPANY
$12.00 Per Share Net

Capitalization, 200,000 shares of no par value of which 120,000 shares are issued and outstanding.

Properties located on corner of Dundas and Simcoe Streets, are conservatively valued by McWilliams & Lockhart, Realtors, Toronto at $152,702.00. Total area 65,820 sq. ft. Buildings are undergoing extensive alterations and additions under plans of Anglin-Norcross, Ltd., Contractors, Toronto, and Montreal. Value by them when completed, $400,000.00.

Plant equipment will have a daily capacity of four hundred (400) barrels of beer daily. Is already equipped with malting plant which will undoubtedly prove an immense earning asset.

Total equipment, completed, valued at $450,000.00 by A. Gusmer, Inc., Chemical Engineers, Woodbridge, N.J., who are installing the plant.

Company will have $200,000.00 working capital in addition to its very valuable licenses.

Directors:—Duncan McLaren, President of Union Lumber Co. J. J. Doran, President Soo Falls Brewery, Director Sudbury Brewery. W. A. MacKenzie, President W. A. MacKenzie & Co. Hon. Gideon Robertson, Senator.

Mr. Duncan McLaren estimates net profits will be in excess of $300,000.00 annually or better than $2.50 per share. Listing shares on Toronto and Montreal Stock Exchanges to be applied for.

It is our firm belief that this stock has real merit at the prelisting price at which we offer it, $12 per share net.

Write for Further Particulars

MORGAN U. KEMERER
29 Melinda Street Toronto, Canada

The Security Life Insurance Company
OF CANADA

Reports Another Year of Substantial Progress

	1924.	1926.
Insurance in force	$7,583,214.00	$10,009,001.00
Cash Premium Income	198,943.11	241,937.87
Interest Income	27,642.76	43,537.63
Gross Assets	709,956.60	901,677.08

SALIENT FEATURES OF 1926 STATEMENT

Insurance Increased	11%
Receipts Increased	13%
Reserves for the protection of policyholders are now	$836,707.00
The Assets of the Company are	$901,687.08

The Company made excellent progress in broadening its agency forces.

The Security Life Issues Only "All Guaranteed Policies"

We have openings in good districts for reliable agents.

Full information and complete copy of the financial statement will be mailed upon application.

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W. O. McTaggart, B.A., Managing Director
W. W. Cooper, Supt. of Agencies and Assistant Manager

Hon. L. A. David, K.C., M.P.P., Provincial Secretary of Quebec, First Vice-President.

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Established 1882

Executor, Trustee, Administrator, Guardian, Financial Agent, Registrar, Transfer Agent, etc.

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11

Announcement

GEORGE E. HARLEY & CO
Stock Brokers

ANNOUNCE THE ELECTION OF MR. G. E. HARLEY TO MEMBERSHIP ON THE

TORONTO STOCK EXCHANGE

15 Melinda Street, TORONTO.
Royal Bank Chambers, LONDON, ONT.

Toronto,
February 11, 1927.

President S. H. HENDERSON
Treasurer E. L. McDONALD
Vice-President R. WALLACE

The Wawanesa Mutual Insurance Co.
Head Office: WAWANESA, Manitoba
Statement of Assets and Liabilities as at 31st December, 1926

ASSETS	
Bonds, Dominion Government Valuation	$ 687,010.36
First Mortgage on Real Estate	31,729.03
Real Estate, Office Furniture, less 10% depreciation	23,032.00
Premiums in Agents' Hands	5,624.87
Interest Accrued	15,591.34
Unexpired Reinsurance Premiums	46,875.76
Accounts Receivable	1,973.40
Premium Notes Unassessed	1,328,494.87
Assessments Unpaid	69,339.77
Cash	61,208.63
	$2,270,880.03

LIABILITIES	
Reserve for Unearned Premiums	$ 144,371.87
Policy Fees	74.26
Losses Unadjusted	10,084.63
SURPLUS for Policyholders' Protection	2,116,349.27
	$2,270,880.03

C. D. CORBOULD, Chartered Accountant.

Bonds deposited with Manitoba Government	$143,130.00
Saskatchewan Government	215,985.20
Alberta Government	67,322.74
British Columbia Government	27,418.92
	$453,856.86

Insurance in Force, $125,749,692.
C. M. VANSTONE, Managing-Director.

The Largest Mutual Fire Insurance Company in Canada

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Executors • Trustees
Financial Agents

CROWN TRUST COMPANY
233 St. James Street
MONTREAL

Twelve Years OF DEPENDABILITY

It was Dodge Brothers distinction, twelve years ago, to create a more dependable car in its price class than previously had been known.

This enviable leadership Dodge Brothers have rigidly maintained.

Wherever difficult conditions try the souls of men and the stamina of motor cars, you will find Dodge Brothers product foremost in favor.

You will find also that six, eight and even ten years of service are not exceptional for the car; that frequently it delivers mileage running well into six figures; and that maintenance cost is remarkably low throughout its long and useful life.

These facts powerfully witness Dodge Brothers success in constantly bettering a product that was exceptional even at the start.

Special Touring Car	$1095
Special Coupe	1160
Special Sedan	1275
De Luxe Sedan	1385

f. o. b. Toronto, taxes to be added

DODGE BROTHERS (CANADA) LIMITED
TORONTO, ONTARIO

DODGE BROTHERS MOTOR CARS
MADE IN CANADA

Rail Equalization Claims Endanger Reasonable Rates

(Continued from page 10)

bia while conditions, character of traffic and costs of operation are dissimilar. It may be noted, in passing, that these conclusions are held also by the regulatory tribunals in England and the United States.

In 1920, the question of equalization of rates came again before the Board, as the result of an appeal to the Privy Council against the 40 per cent. and 35 per cent. increases of freight rates in eastern and western Canada respectively. Strong representations were made by the Prairie Provinces that they should be accorded rates equal to those in eastern Canada, while British Columbia asked for the elimination of the Mountain scale of rates and for the extension of the Prairie scale through to the Pacific coast. The Privy Council, after a hearing, referred the matter back to the Board, with the request that such rates should be established as would meet to the utmost extent possible the demand for equalization.

After a long inquiry, the Board held that the difference of rates as between the Prairie Provinces and eastern Canada did not constitute an unjust discrimination or undue preference, because of the prevalence in Eastern Canada of competition by the Great Lakes system of waterways and the United States railways. The case of British Columbia involved once more the statutory and constitutional issues adduced in 1909; and, while the Board could not abolish reasonably the Mountain scale of rates, it concluded that a revision thereof was necessary; and this was effected by reducing the Mountain rates from the proportion of 1½ to 1 of Prairie rates established in 1914, to the proportion of 1¼ to 1 of the prairie scale. Even this did not satisfy the British Columbia government and appeal was taken to the Privy Council. The latter referred the matter back to the Board which, after investigation, reduced the westbound rate on wheat moving from the Prairie Provinces to Vancouver for export by 10 per cent., but left all other rates unchanged.

The restoration in part of the Crowsnest Pass agreement, and its having been made applicable to the rates on grain and flour moving westward, as well as eastward, have reduced the export rates on these products from the Prairie Provinces to Vancouver to the same basis, in proportion to distance, as those in effect on these export products going eastward to Fort William.

Pressure of Politics

We have entered into the previous details to show that the Board of Railway Commissioners, as a result of expert knowledge have stated repeatedly and unequivocably that the British Columbia rates cannot be reduced with reason to the same mileage basis as those farther east, where the circumstances are so radically different. But notwithstanding these decisions of a competent tribunal, that province continues its agitation to secure its desired object by political means and the pressure of politics will doubtless become still more heavy at the existing session of the House in Ottawa when governmental action is to be sought in settling the Maritime rates problem. It is this which induces us to set forth some further considerations which demand insistent and intelligent attention in connection with this issue.

Leave to Railway Board

On several occasions the Privy Council has openly acknowledged the fact that it has not the necessary knowledge and discretion to be an arbiter in such matters. For example, in P. C. Order 2434, of Oct. 6, 1920, that body said: "For your Excellency's Advisers to take upon themselves to weigh the evidence adduced and substitute their own judgment for the judgment of the Board upon the question of fact arising on the issue and to be determined upon such evidence would defeat the purpose for which the Board . . . . was created, and would in the end be highly prejudicial to the public interests." If the Privy Council is not qualified to determine such issues, it is inconceivable that Parliament should be capable of the requisite discretion. It is for just such technical work that the Board has been formed and the people of the country should see that these matters are dealt with by the Board, on the basis of economic principles, and are not determined according to political expediency. At the present time, it is highly essential that the public should be informed as to what is going on and as to the danger ahead if economic questions are to be adjusted according to the shifting winds of politics. If such problems are to be decided on the basis of politics, this will defeat the purpose for which the Board has been created; and if once political influence can be exercised to secure what the judgment of the Board would refuse, we might as well abolish the Board and throw the whole series of railway issues into the slough of politics, which in this case would be the Slough of Despond. It is a time for clear thinking and for the preservation of the Board untrammelled in its power to continue the good work which has been accomplished. We say this equally with reference to the problem of the Maritime Provinces and that of British Columbia. Railway rates are not a subject for political action.

B. C. Would Lose Out

But let us see some of the practical issues involved in the question of equalization of rates, particularly as they apply to British Columbia. Suppose a complete equality of rates, mile for mile, were established for the same service at all points throughout Canada, what would be the effect? So far as British Columbia is concerned, about 15 per cent. of her products are shipped on class rates and about 85 per cent. are shipped on commodity rates, according to a statement made by the Board in 1923. These commodity rates are made for commodities like rice, lumber, canned goods, etc.,—the staple products of the province—which move in large quantities to the east. They are rates which are made exceptionally low in order to encourage the development of these industries by making a wide market for their products. Such rates are much lower, mile for mile, from Vancouver to the east than the corresponding rates from eastern points to the west. Now if equalization were effected, by the removal of the Mountain scale, the result would be that the rates on the 15 per cent. or the traffic would be lowered while the rates on the other 85 per cent. of the traffic would be increased, to make them equal to those in the east. This would certainly be to the detriment of British Columbia's interest as a whole and would curtail the range of their market in the east. The fact is that, under the present system of rates, that province enjoys very substantial benefits which would be wiped out if equalization were effected. Is it not high time that the people and province of British Columbia should awake to the truth that the small amount of benefit which would accrue, under the equalization scheme, from the lowering of the class rates on 15 per cent. of the traffic would be greatly overbalanced by the increase of the commodity rates on 85 per cent. of the traffic?

Where Burden Would Fall

But perhaps those who advocate the equalization policy, and who have not considered the full import of what such a change would mean, would not go so far as to suggest complete equalization. Perhaps—as seems likely from a recent change of view—they would like to see the class rates lowered and the commodity rates retained as they are. In other words, it would seem as if they would like all the advantages of the existing system of low commodity rates and all the benefits of the reduced class rates under the proposed change, without having to take the disadvantages which would go with equalization. The burden of maintaining railway service must be borne by the people of the country; and if the people of the Pacific province were given unduly low class and commodity rates the people in other sections of the country would have to redress the proper balance by paying unduly high rates. Does this seem a reasonable adjustment, that one section of the country should have all the benefits and other sections should have to pay for these benefits? Does it not seem more in accord with justice that a section of the country which has unreasonably low rates on 85 per cent. of its traffic should be willing to pay reasonable rates on the balance of its traffic? It is surely a common sense policy on the part of the railways, which are seeking the greatest development of all parts of the country, that if they carry a large volume of staple commodities on rates which are lower than normal in order to enable these products to reach the large consuming market of the east, they should be permitted to charge reasonably compensatory rates on the smaller volume of products which can bear such rates. This is a principle which has been upheld by all regulative tribunals and the courts.

Low Trans-Continental Rates

Not only does British Columbia receive the benefit of unduly low rates on about 85 per cent. of the traffic shipped out of that province to the east,—as has been shown by a decision of the Board in 1922—but it has also the very material advantage of the low transcontinental commodity rates from the east to the Pacific Coast. These rates, which are kept low as a result of the competition of the ocean-Panama Canal route, make it possible to put eastern manufactures into British Columbia at the lowest cost and to build up the coast cities as distributing centres for British Columbia trade. Were rates charged equally on a mileage basis, places near the mountains, like Calgary, would be built up as distributing points and these would supersede Vancouver in the distributing trade over a considerable part of eastern British Columbia. These westbound commodity transcontinental rates to Pacific Coast terminals are much lower per mile of line than the rates to any other part of the Dominion. For example, the rates in effect from Montreal or Toronto to Vancouver are substantially lower than from the same points to Calgary or Edmonton. If this commodity transcontinental tariff were abolished and freight rates were equalized on a mileage basis, the rates on staple commodities from Montreal or Toronto to the coast terminals would approximate on the average double the present rates. It is not difficult to see that this would raise the cost of living and the expense of doing business there very materially unless British Columbia determined to get its products from foreign countries, in which case it would be hampering the development of eastern Canada and thereby destroying the best market for its own products.

Mileage No Criterion

The application of the province of British Columbia for the removal of the Mountain scale, doubtless gained additional force as a result of the unfortunate statement of the committee of the Privy Council in 1920 as to "the very great desirability of bringing about with the least possible delay equalization of eastern and western rates." This has induced the government of that province to say that "the policy of equalization should be recognized to the fullest possible extent as being the only means of dealing equitably with all parts of Canada." In this contention British Columbia is taking a stand which none of the other provinces has taken, for in 1920 when the prairie provinces were appealing against rate increases which had been allowed by the Board, counsel for Manitoba and Saskatchewan said: "I have never at any time said otherwise than that I did not think that of necessity the rate for the same distance for the same commodity should necessarily be the same east as west, or west as east. In my opinion the equal treatment of unequal things is just as bad as the unequal treatment of equal things. I have never advanced . . . the suggestion . . . that any particular rate must of necessity be the same for any particular distance east as west. There are many other factors besides mere distance." All of which but affirms the reasonableness of the Board's oft-repeated statement that "mere mileage comparisons do not afford criteria of discrimination, but that all facts material must be given weight. In other words, . . . mileage is not a rigid yardstick of discrimination; discrimination, in the sense in which it is forbidden by the Railway Act, is a matter of fact to be determined by the Board."

What Board Can Not Do

The above statement of the western counsel, that it would be injudicious and illogical to try to equalize things which are necessarily and unalterably unequal, is very pertinent to the British Columbia case. It accords completely with the reiterated judgment of the Board—and of regulatory bodies in other countries also—that it cannot regulate rates "for the purpose of equalizing the costs of production, or the geographical, climatic or economic conditions" of rival interest or sections of the country. Such equalization would not be in harmony with the Board's function to determine "reasonable" rates. If the Board would not be acting according to reason and economic justice in trying to equalize unequal conditions, it is utterly inconceivable that parliament or the government should undertake to do so.

A word, in conclusion, concerning the present situation as to the railway rate problems of the country. Never since the Board of Railway Commissioners was organized in 1904 to undertake this highly specialized and delicate work of rate regulation, have we had its work hampered by so much sectional and political influence. The report of the Maritimes Commission, if adopted, would throw the whole issue of railway rates back into the morass of politics. At the other extreme of the Dominion there is a government seeking to overthrow the long line of rate decisions of an expert Board and to substitute therefor political rate control. In the general rate investigation, which has been the subject of prolonged hearings by the Board, the same forces are at work endeavoring to undermine the highly valuable work of the Board and to secure by the insinuating and insatiable influence of politics what cannot be justified on the ground of fundamental economic conditions. If once the door is opened for securing favors—or even supposed rights — in this way, there is no limit to the extent to which such secret influences may go in order to obtain the ends sought. It is well known and openly proclaimed that western Canada is watching to see what the results will be at Ottawa in connection with the Maritimes; and, if the latter can obtain by political or statutory means what they regard as more favorable transportation rates and facilities, the western provinces will demand corresponding favors. It is not difficult to see what this would mean for the country, namely, the depletion of railway revenues, the whole issue of rate control injected into politics and creeping paralysis overtaking the Board. It is highly desirable that the people should be alert to these tendencies and should see that economic issues are settled on the basis of economic principles rather than politics.

Honey production in Alberta is increasing, the 1926 output being fifty per cent. greater than the year before.

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The growing popularity of Insurance Company stocks among conservative investors has emphasized the need of comprehensive, authoritative review of the record of securities of this type over a period of years. To fill this need we have compiled statistics for 37 representative insurance company stocks, covering the ten-year period, 1917-1926 inclusive, and have presented the results of our research in readable, graphical form.

This circular also contains a resume of the characteristics of insurance company stocks and an analysis of the chart.

This, and any special reports on Insurance Companies, will be mailed upon request.

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Commercial Finance Corporation
and Subsidiary Companies Limited

DIRECTORS AND OFFICERS:
President—Charles Bauckham Vice-President—Harold R. Frost
Treasurer—A. E. Dyment Secretary—Thos. Leeming
Managing Director—G. W. de C. O'Grady
Lorne Johnson, P. W. Pearson, M.L.A.

Consolidated Balance Sheet as at December 31, 1926

ASSETS		
Current Assets:		
Cash on Hand and in Banks		$ 207,382.25
Notes Receivable—Customers, less Reserve for Doubtful Notes		1,867,079.32
Accounts Receivable		1,157.34
Total Current Assets		$2,075,618.91
Prepaid Expenses		1,001.17
Investments:		
Mortgages and Loans	$60,842.04	
Real Estate	12,000.00	
		72,842.04
Office Furniture and Equipment, less Depreciation		2,009.01
Total		$2,151,471.13
LIABILITIES		
Current Liabilities:		
Notes Payable to Bankers—Secured		$1,535,930.95
Accounts Payable		9,154.91
Reserve for Income War Tax, Year 1926		5,787.60
Holdbacks on Customers' Notes Discounted		14,704.44
Dividends Payable		23,897.20
Total Current Liabilities		$1,583,475.10
Mortgages Payable and Accrued Interest		3,079.96
Unearned Discount		113,574.03
Capital Stock:		
Authorized:		
7% Cumulative Preferred — 14,000 shares of $100.00 each	$1,400,000.00	
Common—6,000 shares of no par value	....	
Issued:		
7% Cumulative Preferred—3,502 shares of $100.00 each on which there has been paid	$ 339,920.00	
Common—6,000 shares of no par value	....	
		339,920.00
Surplus		105,045.15
Minority Interest in Capital Stock and Surplus of Standard Agency, Ltd.		376.89
Total		$2,151,471.13

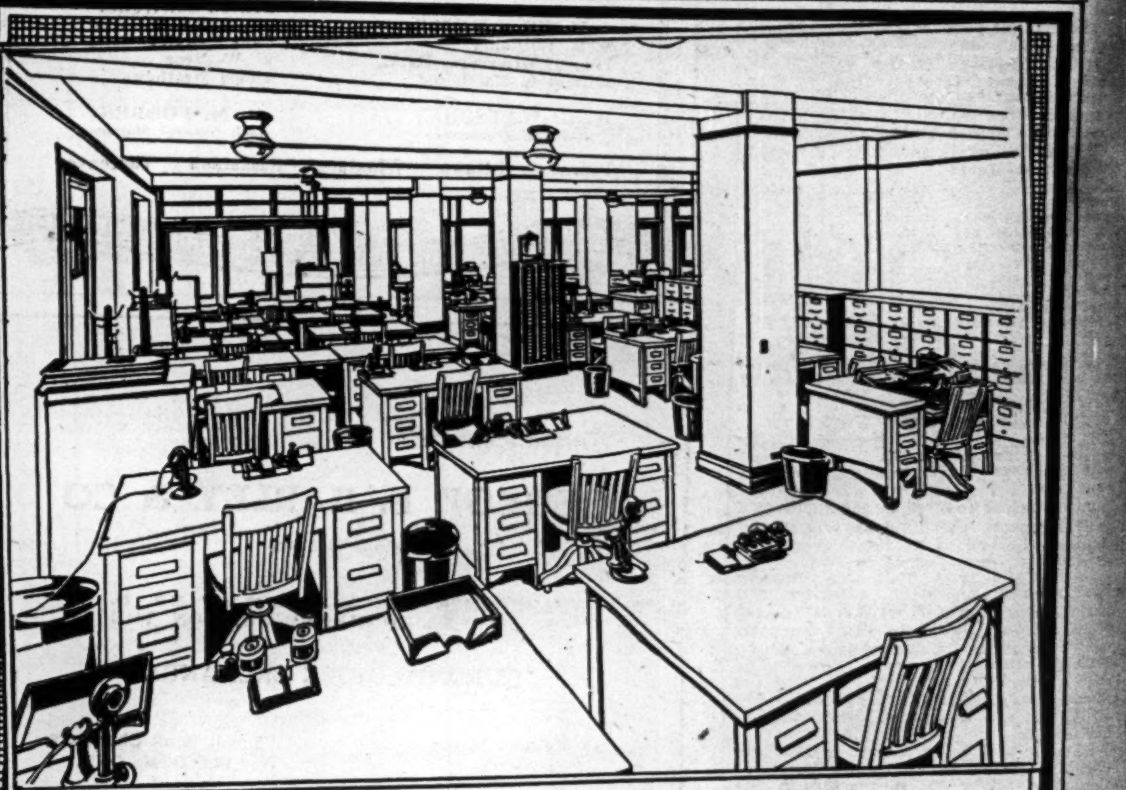
Contingent Liabilities—None.

AUDITORS' CERTIFICATE

We have examined the accounts of Commercial Finance Corporation, Limited, and its Subsidiaries, Globe Discount Corporation and Standard Agency, Limited, for the year ended December 31, 1926, and have prepared therefrom the appended Consolidated Balance Sheet, which, in our opinion, is properly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs as at December 31, 1926, according to the best of our information and the explanations given to us and as shown by the books of the Corporation.

We have obtained all the information and explanations we have required.

PEAT, MARWICK, MITCHELL & CO.,
Chartered Accountants.



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LOWERED PRICES REDUCED PROFITS OF MTL. COTTONS

But Little Reduction Seen, Though, in Net Earnings

From Our Own Correspondent.

MONTREAL.—The decline in the price of raw cotton during the year reduced the manufacturing profits of the Montreal Cottons for the year 1926 by some $50,000. An increase in the company's other income resulted in a decline in net profits of only $19,000. Despite the reduction in the profits, the company's strong working capital position showed a slight improvement during the year.

The comparison of the profit and loss and the working capital position figures over the last three years follows:

	1926	1925	1924
Mfg. prof. ..	*$ 396,469	$ 446,329	$ 275,631
Other inc. ..	96,688	63,627	176,402
Total inc. ..	493,157	509,956	452,033
Bond int. ..	28,909	29,954	30,003
Bad debts .	3,370	987	326
Taxes	......	......	5,647
Net inc. ...	460,878	479,015	416,057
Prd. div. ..	210,000	210,000	210,000
Balance ..	250,878	269,015	206,057
Com. div. ..	180,000	180,000	180,000
Surp. *	70,878	89,015	26,057
Prev. surp.	*1,193,998	*1,125,836	1,118,655
Total	1,264,876	1,214,851	1,144,712
xTransfer ..	378,257	......	......
P. & L. bal.	886,619	1,214,851	1,144,712
P.c. earn. on com.	8.36	8.96	6.80

*Income tax for preceding year deducted.
xTo bond sinking-fund reserve.

Working capital:

	1926	1925	1924
Cur. assets	$4,035,887	$4,028,863	$3,834,508
Cur. liab.	918,045	915,698	803,006
Net wk. cap.	3,117,842	3,113,165	3,031,502

Balance Sheet Changes

In the balance sheet, the company's property account, less depreciation, showed an increase of $48,000 during the year. This increase is attributable to the work which the company has done on its power plant. The cash account is lower by some $40,000, and there has been some decline in the accounts receivable and inventory. The company's raw cotton account now stands at $355,221, as compared with $659,334 in 1925. Loans have increased from $745,000 to $1,219,749 in the year. The changes amongst the liabilities were of an insignificant character, with the exception of the book entries shown in the foregoing profit and loss account in which $378,257 was taken out of surplus account and placed to bond sinking fund reserve account.

The President's Remarks

In presenting the report to the shareholders, Sir Charles Gordon, the president, said in part:

"The sudden decline in raw cotton during the year had the effect of unsettling business, there being no stability in prices, causing limited purchasing and even then in small quantities. Owing to the conservative policy of keeping inventories on a sound basis, your company has not suffered extensively through the raw material decline. Sales for the year amounted to $5,626,017.44, showing a decrease from the previous year of $341,028.47. The usual depreciation has been provided for.

"The receding of the water in the St. Lawrence has affected your power plant very materially. To offset this your directors have been obliged to dredge the waste water race ten feet deeper at a cost up to the present of $150,000. It is hoped to finish the work in six months.

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DRASTIC DECLINE SEEN IN WOODS' ANNUAL REPORT

Decline in Raw Materials Brought Operating Loss of $28,000

From Our Own Correspondent.

MONTREAL.—A drastic decline in the price of raw cotton and raw jute during 1926 was responsible for an entire absence of profits in the annual report of the Woods Manufacturing Company for the fiscal year ending December 31, 1926. After writing off losses incurred due to the fall in the market price of the raw materials, there remained an operating loss of over $28,000 to meet bond interest and depreciation charges.

While the profit and loss figures reveal a disastrous year, yet the working capital position remains much stronger than might have been anticipated from the profit and loss figures. Over the past three years these figures compare as follows:

	1926	1925	1924
Profit	*$28,485	$310,647	$264,579
Bond int. ...	58,507	60,552	62,831
Depreciation	33,314	64,195	63,870
Net income ..	†$63,336	$185,900	$137,878
Pfd. divs.	106,981	106,981	107,300
Surplus	†$170,317	$78,919	$30,578
Prev. surp. ...	176,470	97,551	66,973
Total	$ 6,153	$176,470	$ 97,551
‡Transfer ...	200,000	....	....
P. & L. bal. .	$206,153	$176,470	$97,551

*After writing off losses resulting from the depreciation in market values of cotton and jute.
†Deficit.
‡Transferred from rest account to offset the losses on cotton and jute referred to above.

Working Capital

	1926	1925	1924
Curr. assets	1,787,483	2,260,596	2,285,007
Curr. liabs.	698,284	960,509	1,104,880
Net work. cap.	1,089,199	1,300,087	1,239,127

Balance Sheet Changes

Changes in the balance sheet include the wiping out of the investment account which last year stood at $3,700 and the wiping out of the bond sinking fund account which last year was shown at $13,500. Cash account of $2,909 is only slightly lower than at the close of 1925 and accounts receivable has increased by $53,000. The inventory account shows a shrinkage of some $520,000, a big decline from last year's figure of $1,795,300. Thus, total assets are lower by over $500,000.

In the liabilities, the bonded indebtedness of the company has been reduced by $62,500, but the bank loan is up from $15,000 at the close of 1925 to $222,000. Accounts payable, though, has been reduced by some $468,000. Depreciation reserve stands at practically the 1925 figure and, while $200,000 has been taken from rest account, the surplus shows an increase of around $30,000. The explanation of the switch from rest to surplus account is seen in the foregoing profit and loss figures.

"Glass" Negotiations Are in Abeyance at Present

From Our Own Correspondent.

MONTREAL.—It is understood that the negotiations leading to the acquisition of a large block of shares of the Dominion Glass Company by well-known U. S. glass interests are in abeyance. It was said that the American company interested in Dominion Glass was the Owens Glass Company. It is understood that, during the negotiations between the two interests, a complete survey of the plant and operations of the Canadian company was undertaken. At the moment the business of Dominion Glass has shown some improvement, and the outlook for the future is said to be brighter than it has been for some time.

Long Anticipated Split in Penmans Announced

From Our Own Correspondent

MONTREAL. — Penmans, Ltd., is to split its stock three for one, and the present 25,000 common shares of $100 par value will be changed into 75,000 shares of no-par value as soon as the move is ratified by the shareholders at the annual meeting to be held in March.

Penmans' stock is paying at present 8 per cent., plus an annual bonus of 2 per cent.; making an annual disbursement of $10 per share. The new no-par value stock will probably pay $4 per share—the equivalent of 12 per cent. on the present issue of stock.

Penmans' shares have proved themselves to be in the investment class, and one of the satisfactory points about the issue is the fact that, during the past thirteen years, the low point of the stock has been higher year by year.

In the four years from the close of 1921 to the end of 1925, the company ploughed back into the property, by way of its depreciation, machinery written off, and surplus account, over $950,000. Thus its reserve and surplus accounts to-day are in excess of the total bond indebtedness and the preferred and common stocks capitalization of $3,225,600 is more than $500,000 lower than the figure at which the company's fixed assets are carried on its books. Earnings on the common stock between the years 1922 and 1925 ranged from 13.3 per cent. to 17.1 per cent.

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BALANCE SHEET

ASSETS

Bonds, Debentures and Debenture Stocks, (ledger value)	$1,538,897.47
Railway Stock (ledger value)	44,670.00
First Mortgages on Real Estate	1,224,475.14
Real Estate Owned	208,377.04
Loans on Policies secured by Reserves	487,000.81
Cash in Banks and at Head Office	42,410.07
Net Outstanding and Deferred Premiums (less cost of collection)	129,834.16
Interest Outstanding	47,692.01
Interest Accrued	69,157.08
	$3,792,513.78

(The Market Value of Bonds, Debentures and Stocks authorized by Dominion Government as at December 31st, 1926, is $100,938.39 in excess of the Ledger Values taken credit for above).

LIABILITIES

Net Reserve under Assurance and Annuity Contracts, including value of Supplementary Contracts	$2,976,279.00
Death Claims awaiting settlement	27,100.00
Policyholders' Funds left with the Company	12,114.58
Policyholders' Dividends due and unpaid	1,886.80
Premiums Paid in Advance	10,379.52
Interest Paid in Advance	16,069.08
Sundry Accounts (including Accrued Taxes, payable 1927, $13,399.24)	17,878.64
Shareholders Account	13,028.42
Capital Stock Paid Up	209,995.00
Provision for Contingent Profit under Deferred Dividend Policies	121,908.00
Provision for Profits to Policyholders Payable in 1927 (other than Deferred Dividends)	36,948.00
Provision for Profits to Policyholders, not included above	50,000.00
Special Funds: Investment Reserve	97,943.37
Contingency Reserve	40,000.00
	$3,631,530.41
Surplus to Policyholders above Capital, Special Reserves and all other Liabilities	160,983.37
	$3,792,513.78

LEADING FEATURES OF THE 1926 STATEMENT

SURPLUS EARNINGS—The Company's Surplus Funds again show a noticeable upward trend, while further protection to policyholders and the maintenance of policyholders' dividends have been augmented by additional funds and resources. The Company, in short, has built itself up into an exceedingly strong position, which position it shall be the care of the Management zealously to maintain.

SPECIAL FUNDS AND SURPLUS

Definite Provision for Future Profits to Policyholders	$208,856.00
Contingency Reserve	40,000.00
Market Value of Bonds and Debentures in Excess of Value in Account	100,938.39
Free Surplus Available for General Purposes	160,983.37
TOTAL (Exclusive of Paid Up Capital)	$510,777.76

NEW ASSURANCES — The Company received new assurances approximating $5,000,000.00, or an increase of over 40 per cent. as compared with the corresponding total last year.

INTEREST RATE—The rate of interest earned on the invested funds was 6.90 per cent. The investments were maintained in the following proportion. Bonds and Debentures, mostly Government and well-selected municipal issues, 44.7 per cent, First Mortgages, 34.5 per cent. Other Investments, 20.8 per cent

ASSURANCE IN FORCE—Assurance in force (exclusive of accident or double indemnity additions) amounted to $21,691,588.00, or a gain over the previous year of $2,872,488.00.

MANITOBA'S MUTUAL
SHOWS ANOTHER YEAR OF STEADY PROGRESS

The Portage la Prairie Farmers' Mutual Fire Insurance Company

Forty-Third Annual Report

ASSETS

Cash Assets	$ 358,702.80
1926 Assessment Unpaid	33,387.20
Balance of Unassessed Premium Notes	830,327.15
	$1,222,417.15

LIABILITIES

Reserve for Cash Premiums	$ 15,000.00
Losses Reported but Unadjusted	3,288.45
Surplus Assets Over Liabilities	1,204,128.70
	$1,222,417.15

Insurance Written During 1926	$22,152,382.00
Increase for the Year 1926	502,741.00
Total Amount Business in Force	64,655,416.00

STRATTON WHITAKER, Secretary-Manager
E. H. MUIR, President. M. G. TIDSBURY, Vice-President.
A. H. THORPE, Treasurer.

This Company has the distinction of giving the greatest amount of protection for the smallest premium charged by any Fire Insurance Company in Western Canada for a period of forty-three years.

City and District Bank Reports Record Year

Shows Increases Under Every Heading in Financial Statement

Speaking at the annual meeting of the Montreal City and District Savings Bank, which was held at the head office of the Bank on Monday last, the Honourable Raoul Dandurand, president, in supplementing his printed address to the shareholders, said:—

President's Remarks

The statement which is before you needs very little comment.

It shows a continued development of our institution on the safe and orthodox lines laid down at its inception.

You will remark that we show the largest total deposits in the history of the Bank: $56,203,000.00.

They are guaranteed by the clearest liquid assets amounting to $59,294,339.00 representing 106 cents for every dollar.

Our total assets also reach the highest mark: $60,498,556.00.

Increases are shown under every heading.

The Savings Bank was established in 1846 by the most influential people of that day, on a co-operative plan so as to receive and husband the savings of the people which had not heretofore interested the Commercial Banks.

In 1871, the Dominion Parliament abolished the mutual co-operative system and a capital of $2,000,000.00 was subscribed as a greater protection to our depositors.

Our operations were most simple in nature. In order to ensure for them a perfect guarantee the savings of the people could only be invested in first class securities which offered the greatest protection. As the gilt-edge securities give the smallest return, the margin of profit, over the interest paid to Depositors and the cost of management, has been a very modest one.

Fortunately, the paid-up capital was small and a reserve could be slowly built up. It has now reached $2,000,000, and, concurrently, our Bank buildings have been written down to about 50% of their cost and municipal valuation. All our investments are carried at a fair margin under market value, and being of the highest grade, the security to both shareholders and depositors is absolute.

As it has been deemed wise to create large reserves, the Directors thought that the time had likewise come to bring the paid-up capital to the amount subscribed, to wit: $2,000,000.00.

The shareholders are now asked to complete their subscription. They will receive on their larger holdings an increased return upon their investment.

THE MONTREAL

City and District Savings Bank

80TH ANNUAL REPORT 80TH

MONTREAL, FEBRUARY 14TH, 1927.

TO THE SHAREHOLDERS:—

Your Directors have pleasure in presenting the eightieth Annual Report of the affairs of the Bank and the result of its operations for the year ending December 31st, 1926.

The net profits for the year were $290,344.64, and the balance brought forward from last year's profits account was $149,613.21, making a total of $439,957.85. From this amount have been paid four quarterly dividends to our shareholders; $4,450.00 has been contributed to various charitable and philanthropic Funds—independently of the sum of $10,200.00, interest on the Charity Donation Fund, distributed as usual—and $200,000.00 has been added to the Reserve Fund, leaving a balance at the credit of Profits account of $35,507.85 to be carried forward to next year.

As usual a frequent and thorough inspection of the books and assets of the Bank has been made during the year.

The report of the Auditors and the Balance Sheet are herewith submitted.

GENERAL STATEMENT

DECEMBER 31ST, 1926

LIABILITIES

To the Public:		
Amount due Depositors	$56,203,449.04	
" " Receiver General	93,341.86	
" " Charity Donation Fund	180,000.00	
" " Open Accounts	486,357.80	
		$56,963,148.70
To the Shareholders:		
Capital Stock (Amount Subscribed $2,000,000), paid up	1,500,000.00	
Reserve Fund	2,000,000.00	
Balance of Profits carried forward	35,507.85	
		3,535,507.85
		$60,498,656.55

ASSETS

Cash on hand and in Chartered Banks	$ 8,272,325.21	
Dominion and Provincial Government Bonds	21,227,978.65	
City of Montreal and other Canadian Municipal Bonds and Debentures	22,740,989.97	
Bonds of Canadian School Municipalities	79,543.86	
Bonds of Canadian Public Utilities Corporations	1,452,575.00	
Foreign Government Bonds	10,000.00	
Sundry Securities	200,000.00	
Call and Short Loans, secured by collaterals	5,130,926.36	
Charity Donation Fund, invested in Dominion and Canadian Municipal Securities approved by the Dominion Government	180,000.00	
		$59,294,339.05
Bank premises (Head Office and Sixteen Branches)	1,170,000.00	
Other Assets	34,317.50	
		1,204,317.50
		$60,498,656.55

On behalf of the Board,

R. Dandurand, *President.* A. P. Lesperance, *General Manager.*

AUDITORS' REPORT

Having obtained all the information and explanations we have required, and having satisfied ourselves of the correctness of the Cash Balances and examined the Securities held against the money at Call and Short Notice and those representing the investments of the Bank, and having examined the foregoing Balance Sheet and compared it with the Books at the Head Office and with the Certified Returns from the Branches, we are of opinion that the transactions of the Bank have been within its powers and that the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs, as shown by the Books of the Bank.

A. CINQ-MARS, C.A.
C. A. SHANNON, L.I.A. } *Auditors.*

Montreal, February 1st, 1927.

1927 Trade Outlook Excellent for Those Who Keep Up-to-Date

(Continued from page 1)

of this would be spent with merchants in different parts of the country. Supplies and equipment cost $92,000,000 and the bulk of this was placed in Canada, though a good sum went to United States and a smaller sum to England for heavy mining machinery.

Hardware Is Big Item

Hardware is a tremendous item with the mines. This is indicated by an order recently placed in Montreal for the complete equipment of camps and mining machinery to open up a prospect in Rouyn, Que. The order contained 198 different hardware items and made up the great bulk of the order. Two facts are to be emphasized. This $15,000 order was equipment for a prospect and if the prospect turns out to be a mine, this equipment will all be scrapped and a new order for many times the size of the original placed. The second point is that there are 100 such prospects in the Rouyn camp which are buying on a similar scale to-day.

This covers only one camp and the prospects. The large mines are constantly in the market for hardware. The Financial Post Survey of Mines lists about 3,000 mining companies, about 1,200 to 1,400 of which are active.

Developed Water Power Grows

In 1900 we had developed 170,358 horse power; in 1910, 975,150; and in 1926, 4,550,000 horse power. Giving this an average value of $20 per h.p. puts a yearly value on it of $90,000,000.

The dollar value of this developed water power gives only a slight indication of what it is worth to Canada. It has been responsible for much of the rapid development of the pulp and paper and mineral production I have just referred to. It is bringing to Canada manufacturing industries of great value. Let me give you one outstanding example: The Aluminum Co. of America, attracted by cheap power, are investing $100,000,000 in a plant at Arvida, Quebec. They are building a new city and will give employment to thousands of workmen.

Think what the development of this tremendous quantity of electrical energy means to trade. Many rural districts are receiving their first introduction to electrical power, and thousands of homes are now being wired for the first time.

Tourist Trade Brings Revenue

A. W. Campbell, Commissioner of Highways for the Dominion, estimated that tourists from U. S. would spend in Canada, in 1926, $188,555,400. The U.S. Department of Commerce estimated the amount that would be spent for 1926 at $190,000,000. This figure may be taken as fairly accurate. About $60,000,000 of this was spent in Ontario. The amount will be greater in 1927. The bulk of this money in the past has been spent during July and August, but hunting, winter sports and other attractions should bring tourists the year round. Assist this movement in every way you can through your local organizations, play up the attractions of your locality and, above all, when the people come be ready not only to supply their wants, but to suggest to them things they did not know they wanted but which will be of service to them and enhance the pleasure of their trip.

General Prosperity Benefits All

But, someone may say, we have no water power or mineral or pulp and paper development in our district. How then will we benefit from this development? If you have industries you will find they are selling goods to these companies or to their workmen. If you have no manufacturing industries, your agricultural producers will find a better market for their products. Moreover, these large industries give employment to our people and attract immigrants, thus helping us to bear our heavy overhead of taxation.

We are too apt to take a narrow view of the value to all of us of expansion and development in any part of the country. I went to London recently for our company, to be present during the Imperial Conference. The thing that impressed me most was not the constitutional change or declaration that has been so widely heralded, but the fact that we in Canada are not doing the Empire trade we should do. Great Britain alone has a population of nearly 50,000,000 people and is importing from foreign countries many things which we could supply. When we export apples and plums and motor cars we are giving employment to men in this country who need clothing, food, houses, house-furnishings, etc., and this means increased business for you. Let me take a broad view of this question and realize that prosperity for the country as a whole means prosperity for the individual. This, then, is the great significance of the fact that our export trade has increased nearly five-fold from $298,763,993 in 1910 to $1,328,537,137 in 1926.

Railroad Deficit Becomes Surplus

We over-built our railroad requirements before the war, with a consequence that we had an average operating deficit from 1919 to 1923 of $20,000,000 a year. In 1926 we had an operating surplus of $46,000,000—a difference of $66,000,000.

Construction increased $100,000,000 in 1926 over 1925 or 1924, and the actual outlook for 1927 is good.

Business failures have been steadily decreasing both in number and in amount of liabilities. The following table shows the big improvement which has been made since 1921:

	Number	Liabilties
1921	2,396	$51,064,079
1922	3,247	56 379,887
1923	2.961	54,568,727
1924	2,316	43,551,993
1925	1,993	32,153,697
1926	1,771	32,291,125

Money Is Plentiful and Cheap

Money is plentiful and the rate of interest is low. The general expectation is that this will continue for the year.

But, you ask, with all these favorable factors and conditions why is it so difficult in many lines of business to make a fair profit? It is indeed a peculiar anomaly and an apparent contradiction that never before have statistics and all the indices of business been so favorable, and yet at the same time so many business men have complained that profits have been small and business difficult. There are a number of reasons.

Merchandising conditions have been very revolutionary. There have been more changes in the last 15 years than in the previous 100 years. During a period of 50 years, production costs were gradually reduced due to improved machinery, mass production and more efficient management and selling. Many of the basic principles which were applied with such extraordinary results to production are now being applied to merchandising.

The manufacturer who did not get in line either by joining some merger or by adopting up-to-date methods, has been eliminated. Retailers face the same alternative.

Distribution costs were too high, not because the retailer was making too much money, but because his overhead was too high. Many merchants were making a profit on 100 lines and losing money on about 80 others. This has led to simplification of stocks.

Growth of New Systems

The past 25 years have seen the development and remarkable success of the 5 and 10 cent store, the mail order house, the chain store organization, large department stores, one-price system, cash basis on the one hand and instalment buying on the other.

These have all succeeded because they appealed to the public. You must study them all, you must take principles which are applicable to your community and make the necessary changes in your business before someone else beats you to it and pushes you into the background.

Remember, it's always easier to retain the leadership than to regain it once it has been lost.

Don't be afraid to scrap old machinery or old methods, no matter how successful they have been in the past. We are describing in our publications every issue new methods which have been tried out and found successful in many cases by some of you men here. Bigger successes than ever before are being made in the retail field. Find out how it is being done and adapt the same principles to your business.

Taxation Is Too Heavy

Then, too, we will not be able to take full advantage of the splendid basic conditions which we have outlined till we get rid of some of the heavy taxation with which we are afflicted. Taxes are a first charge on business and often eat up the whole margin of profit. High surtaxes on personal incomes are killing off expansion and limiting the growth and development of the country. They are driving into tax free bonds money which should be employed in establishing new enterprises or enlarging old ones.

Our general prosperity and increased revenue will bring about a certain amount of tax reduction, but much more can be accomplished through efficiency and economy in government service, and by accepting the principle that reduced taxation will speed up business, attract immigration and in turn increase the revenue of the country. Use every means in your power to force this view on dominion, provincial and municipal governments. It will affect your business directly.

Everything Points to Splended Trade

By H. T. HUNTER.

"To sum up, I believe everything points to splendid business during the balance of the year. Competition will be keen but with an average harvest the Canadian people will probably have more money to spend during 1927 than in any previous year."

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In British Columbia

is to be found an inexhaustible supply of all raw materials and water power, inviting to the profitable employment of capital and offering work and homes to the right kind of settlers.

FORTY-FIVE years ago Henry Labouchere, M.P., otherwise a most astute publicist, wrote a dolefully pessimistic article in his famous weekly, "Truth," on the occasion of the first flotation of C.P.R. bonds on the New York market. The prairies were described as a "death-dealing region," and it was further stated:

"The Canadian Pacific Railway will run, if it is ever finished, through a country frostbound for seven or eight months of the year, and will connect with the western part of the Dominion, a province which embraces about as forbidding a country as any on the face of the earth. British Columbians, they say, have forced on the execution of this part of the contract under which they became incorporated with the Dominion, and believe that prosperity will come to them when the line is made. This is a delusion on their part. British Columbia is a barren, cold, mountain country, that is not worth keeping. It would never have been inhabited at all, unless by trappers of the Hudson's Bay Company, had the gold fever not taken a party of mining adventurers there, and ever since that fever died down the place has been going from bad to worse. Fifty railroads would not galvanize it into prosperity."

A RECORD OF ACHIEVEMENT

The wonder is that Labouchere should have written this, with the figures of production and of trade and commerce which were available to him, not only as to the Dominion but British Columbia. Every year since has furnished a record of achievement in this province which supplies a cumulative and a smashing answer to the above libel. The "forbidding" country continues to draw settlers, and although the present population is but a tithe of what could be supported, its ratio to the total population of the Dominion has been increasing steadily from decade to decade.

FULL PROTECTION TO INVESTORS

The tremendous natural wealth of the province in resources, its power possibilities, and its transportation facilities by water and rail, reaching prairie, United States, British, Australasian and Orient markets, combine in a powerful appeal to the investor. In the case of none of its resources is the return upon investment problematical, for all have been in course of profitable exploitation for many years. The laws of the province are wise and sound, giving full protection to investors, and its system of taxation is designed to secure from all classes of the community an equitable share of the costs of administration and of public services rendered.

MINING INDUSTRY GROWING FAST

There has been very marked activity in the mining industry of the province during the past two years. From a production valued at $48,704,604 in 1924 the output of the mines jumped to $61,492,292 in 1925. A summary report for ten months of 1926 forecasts a value of $67,750,000 for the twelve months. The increased output of the copper and the silver-lead-zinc mines has been most striking—silver, 42 per cent. over 1925, zinc 38 per cent., copper 25 per cent., lead 10 per cent. Gold shows a production of 5 per cent. greater than 1925. It will thus be seen that British Columbia continues to produce the largest quantities of any province in copper, lead and zinc, and that it is seriously challenging Ontario's primacy in the mining of silver. From 1852 to the end of 1925 the mines had produced an aggregate wealth of $920,919,628, including $273,048,953 in coal and coke, $200,471,504 in gold and $197,642,647 in copper. Practically all the precious and base metals are found in British Columbia. Its coal measures are estimated to contain eighty-three billion tons. Smelting is an extensive industry. There are large deposits of magnetite-iron ore of bessemer steel quality.

GREAT FOREST WEALTH

The greatest stands of timber left in Canada are found in British Columbia. Its forests cover an area of 182,750,000 acres, with an aggregate stand of three hundred and sixty billion feet of merchantable timber. Its sawmills convert this into lumber to an extent not surpassed by any other province. The aggregate value of all forest production in 1925 was $81,941,000, which included $14,466,000 for pulp and paper. The latter branch of industry has been making rapid development since its first establishment in 1912. In ten years the cut of lumber has quadrupled. More striking has been the advance in exports of sawn lumber, especially water-borne, which latter have expanded from 58,000,000 feet in 1915 to 577,560,000 feet in 1925. For nine months of 1926 these exports were 36 per cent. greater than for the same period of 1925. Two of the larger mills have greatly increased their capacity and a number of new mills have been established.

ASSISTANCE FOR THE SETTLER

The diversity of climatic conditions and of soil adapt the province to all branches of agricultural industry, and the 25,000,000 acres of land at present available for pre-emption or purchase are attracting more and more the man who wishes to engage in mixed farming or in fruit-growing. Throughout the province the Department of Agriculture has experts in all lines for the assistance of the settler. Irrigation works have been installed where necessary. Production of 1925 was valued at $65,153,513, 8½ per cent. increase over 1924. Particular increases were noted in dairy products, live stock and fodder crops. There has also been a considerable development in the growing of potatoes and vegetables, in the preserving of fruit and the canning of tomatoes. The loganberry crop is taken care of in part by its conversion into wine, and plans are under consideration for the utilization of surplus apples in the cider-press. The last year or two has seen a big advance in the production of certified seed potatoes and of vegetable and flower seeds, for which many parts of the province are peculiarly well-adapted.

FISH IN ABUNDANCE

The fisheries of British Columbia in 1925 produced $22,414,618, or 46.7 per cent. of the Canadian total. The salmon pack of 1,719,282 cases was valued at $14,966,445. Thus, although the pack was 26,031 cases less than the record pack of 1924 it was worth about $2,000,000 more owing to better grades and prices. The capital invested in the fisheries of British Columbia in 1925 was $20,986,627, and the number of persons employed was 17,517. There are 23 species of food fishes caught, and several others, including whales and sharks, are used in fish-reduction plants for the production of fish-oils, meals and fertilizer. Twenty such plants were in operation on the west coast of Vancouver Island in 1926, and about $2,000,000 had been invested in equipment. None but whites and Indians can engage in this branch. A gradual process of elimination of Orientals in other branches of the fishing industry is being carried out by the restricting of the number of licenses issued to those races.

HYDRO-ELECTRIC POWER RESOURCES

So far as surveys of the great watercourses of the province has gone, they are capable of producing two million horse-power at minimum flow and over five million horse-power at maximum flow. Existing turbine installations at the end of 1925 amount to 414,702 horse-power, while developments now in progress will add 100,000 horse-power to this total in the next year or two.

STEADILY IMPROVING FINANCIAL POSITION

The financial policy of the province is to keep current expenditure within revenue, and to borrow only for capital outlays. This policy is adhered to and has resulted in placing the credit of the province at a height which is reflected by the prices paid for its bonds.

The gross public debt at March 31st, 1926, funded and temporary, was $76,786,985, a decrease of $2,609,264 from March 31st, 1925. A large part of this debt, having been incurred for productive purposes, is earning more than its own carrying charges. Sinking funds, fully maintained and well invested, are provided for the whole of the province's long-term debenture debt. A sinking fund has also been set up to pay off portion of the P. G. E. guaranteed stock at maturity. The total revenue under all heads for the fiscal year ended March 31st, 1926, was $21,775,869, and the total expenditure on current account and on capital account out of income $21,675,076, so that a surplus of revenue in the sum of $100,793 marks the financial operations of the year.

The balance of provincial assets over liabilities at the same date was $64,051,127.

For all information address:

Secretary,
Bureau of Provincial Information,
Victoria, B.C.,
or Hon. J. D. MacLean,
Minister of Finance,
Victoria, B.C.

Consolidated Balance Sheet as at March 31st, 1926

ASSETS

Capital Account	
Dom. Subsidies Capitalized	$ 14,776,333
Sinking Funds	12,699,774
Dyking Accounts	719,168
Indian Reserves	1,068,009
Lands Repurchased	4,615,249
Fairview Works	29,447
King's Printer	177,771
Buildings, Roads, etc.	70,558,605
Current Account	
Cash and Advances	$ 11,186,113
Gold Bar Account	6,678
Accounts Receivable	5,698,366
Stores and Equipment	1,596,973
Special Funds	259,426
Trust Funds	677,735
Deferred Account	
P. G. E. Ry. Loans and Interest	$ 29,273,540
Bank of Vancouver in Liquidation	100,086
	$153,443,273

LIABILITIES

Capital Account	
Inscribed Stock	$ 17,196,936
Debentures	54,288,800
Mortgage on B.C. House, London	186,725
Current Account	
Temporary Loans	$ 5,114,524
Gold Bar Account	6,678
Accounts Payable	3,395,376
Cash Deposits	968,955
Special Funds	1,568,077
Trust Funds	677,735
Deferred Account	
Current Account Int. and Disc. on Sundry P.G.E. Loans	$ 5,988,340
	$ 89,392,146
Balance of Assets over Liabilities	$ 64,051,127

A QUARTER OF A CENTURY OF PROGRESS

	1900	1915	1925
Population	178,657	434,000	560,500
Mines production, value $	16,344,751	29,447,508	61,492,242
Mines production since 1852, $	152,155,208	516,270,253	920,919,628
Gold, placer and lode, value $	4,732,105	5,937,934	4,615,361
Coal, long tons	1,524,744	1,857,000	2,403,707
Forests production, value $	2,634,157	29,150,000	81,941,000
Lumber cut, feet B.M.	305,920,473	827,800,000	2,611,366,527
Exports of lumber, feet B.M.	52,250,000	58,074,773	577,560,288
Farm production, value $	6,219,761	31,127,801	65,153,513
Dairy production, value $	1,002,003	3,034,340	10,629,350
Fruit production, value $	393,088	1,642,300	5,413,894
Wheat, bushels	368,419	615,668	1,117,629
Area in all crops, acres	171,424	358,165	586,902
Fisheries production, value $	4,546,377	14,538,320	22,420,253
Salmon-pack, cases	585,413	1,164,701	1,720,622
Manufactures, value $	19,447,778	72,321,972	225,000,000
Water-powers (developed), H.P.	5,716	265,345	375,517
Railway mileage	1,397	3,100	5,144
Telephones installed	1,500	44,922	91,177
Motor-car registrations	Nil	7,440	55,657
Schools	298	763	1,063
Pupils enrolled	21,531	64,624	99,954
Post-offices	364	740	855
Money-order offices	103	375	456
Order issued, amount $	2,353,669	5,553,925	14,126,848
Exports, value $	17,851,812	39,153,586	147,531,202
Imports, value $	10,560,532	33,142,569	66,486,115
Shipping, tonnage	8,380,449	27,322,408	44,673,191

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